



Value through values

SANGAM (INDIA) LIMITED  
ANNUAL REPORT 2024-25

# Built on Threads. Driven by Purpose.



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**Or simply scan the QR code**

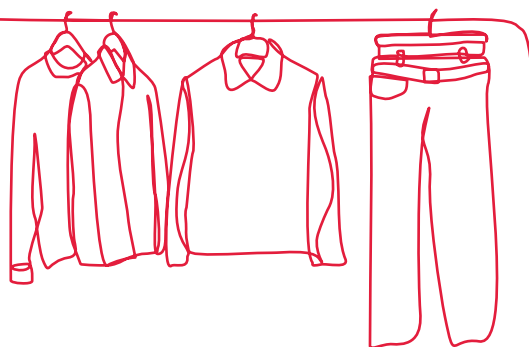
#### Disclaimer

This document contains statements about expected future events and financials of Sangam (India) Limited ('Sangam'), 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.

# Built on Threads. *Driven by Purpose.*

Every journey begins with a single thread, drawn, spun, and driven by purpose.

For Sangam, threads are more than fibres; they represent the stories the Company weaves, the communities it uplifts, and the progress it pursues.



From its roots in Bhilwara's vibrant textile heartland, Sangam has evolved into a fully integrated textile enterprise with strong capabilities across yarn, fabrics, and garments, each strand reinforcing the other. Today, the Company holds a strong position in the global textile value chain, built on innovation, scale, and purpose.

In 2024-25, Sangam sharpened its focus on value-added segments, expanded its presence and PLI-backed initiatives that are expected to drive its next phase of growth.

This purpose extends beyond financial success. Sangam's commitment to sustainability is evident in its investments in recycled fibres, renewable energy, and responsible water management, initiatives that add depth and integrity to its progress. Through these efforts, the Company continues to weave a narrative that is both economically rewarding and socially responsible.

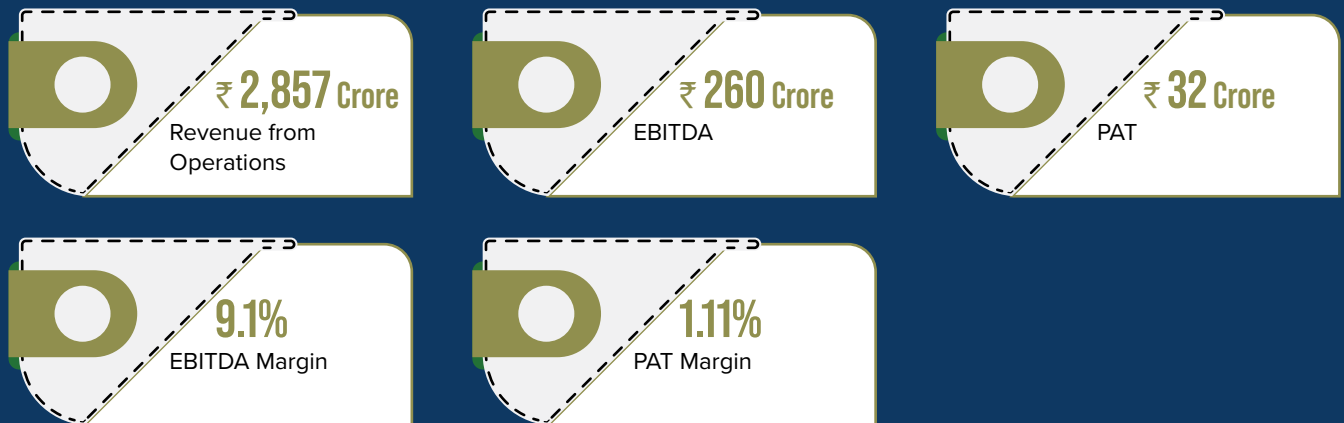
For Sangam, every step forward is not merely expansion; it is about weaving progress with purpose and creating value that lasts.

## Key Highlights

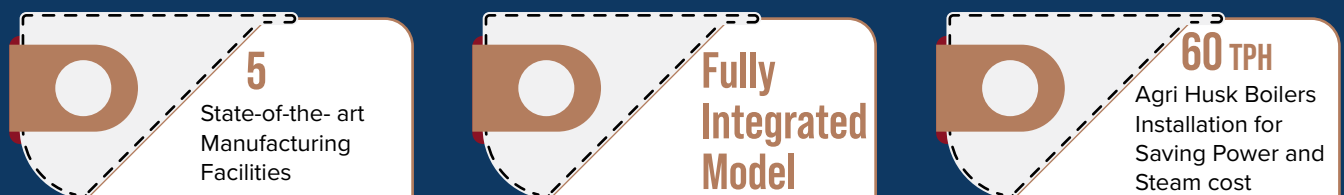
# Knitting Together *Progress and Purpose*

Sangam (India) Limited stands at the confluence of tradition, innovation, and responsibility. With its integrated capabilities and a future-focussed vision, the Company continues to transform every thread into an expression of progress that creates lasting value for all stakeholders.

## FINANCIALS



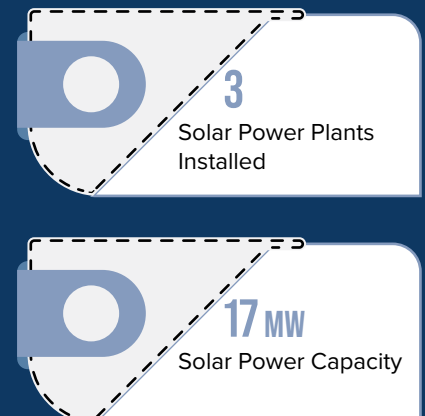
## OPERATIONAL



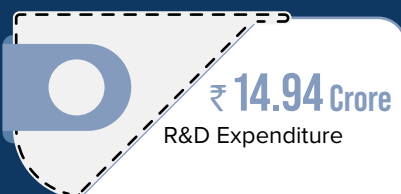
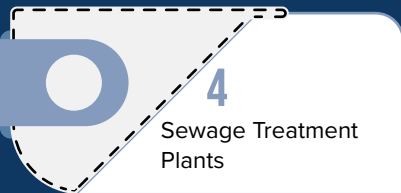
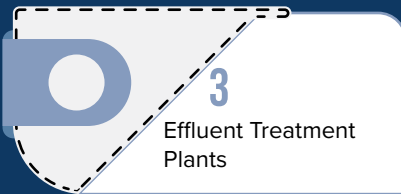
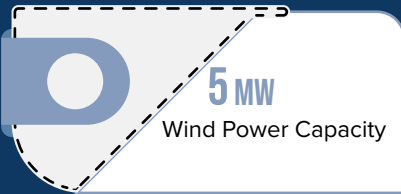
## SUSTAINABILITY



### Environmental



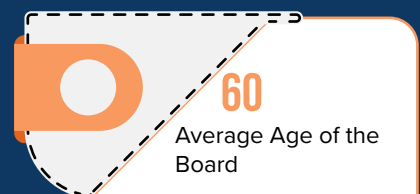
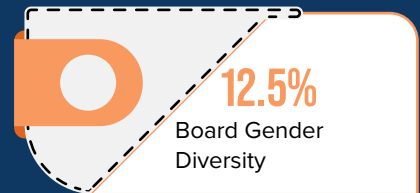




### Social



### Governance



## Our Story in a Nutshell

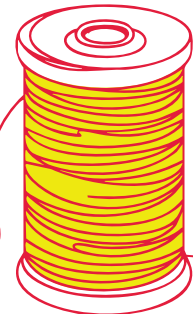
# Crafting Excellence for Over 4 Decades

With a rich legacy of over four decades, Sangam (India) Limited ('Sangam,' 'SIL,' 'The Company') has emerged as one of India's largest, fastest growing, and most trusted brand in the textile sector. Headquartered in Rajasthan, the Company has built a future-ready ecosystem across 5 state-of-the-art manufacturing facilities.

The Company's fully integrated operations span the entire textile value chain, from yarn to fabric to garmenting, enabling product diversity, rigorous quality assurance, stringent quality control, and cost efficiencies that consistently deliver value to customers. As a market leader in PV yarn, PV fabric, and

denim fabric, Sangam has earned the trust of marquee clients in India and across global markets.

Anchored in innovation, operational excellence, and sustainability-driven growth, Sangam continues to raise industry benchmarks while weaving a future defined by purpose and lasting value.



## ETHOS



### Vision

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



### Mission

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

## VALUES



### Commitment

We are committed to fostering trusted client relationships and enhancing stakeholders value. We enable others to trust us by delivering on our accountabilities and standing 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 an 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.



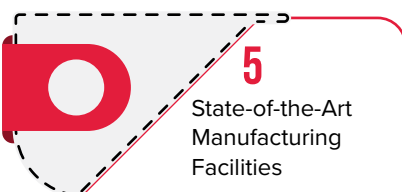
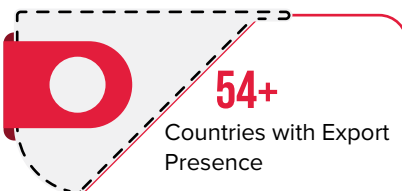
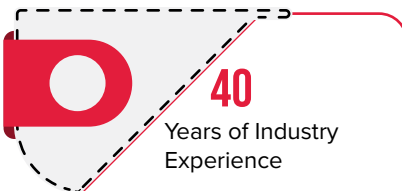
### Quality

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



### Adaptability

We remain steadfastly adaptable to the changing dynamic environment.



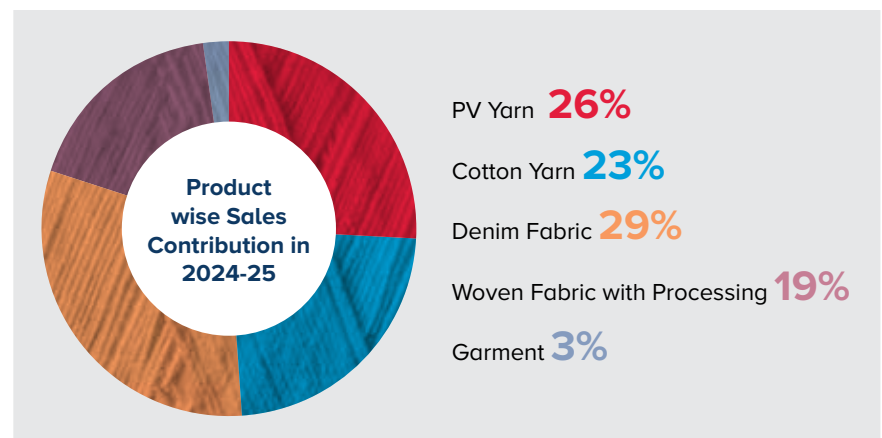
### Our Sales Figures

(₹ in Crore)

|            |  |       |          |
|------------|--|-------|----------|
| FY 2024-25 |  | 1,734 | Domestic |
| FY 2023-24 |  | 1,761 |          |

(₹ in Crore)

|            |  |       |        |
|------------|--|-------|--------|
| FY 2024-25 |  | 1,123 | Export |
| FY 2023-24 |  | 867   |        |





## Investment Case

## Crafting a *Future-Ready Investment*

In a rapidly transforming textile landscape, SIL distinguishes itself as an enterprise defined by scale, precision, and a clear strategic vision. Its integrated operations, strong market leadership, and focus on value-added segments provide a resilient platform for sustained growth. By combining its four-decade legacy with cutting-edge technology, a skilled workforce, and a deep commitment to sustainability, the Company continues to unlock new avenues of growth and deliver lasting value to its stakeholders.



### A Legacy of Excellence

As one of the largest manufacturers of PV-dyed yarn and denim fabric, Sangam brings with it a distinguished legacy built on four decades of industry expertise. This deep-rooted knowledge and experience position the Company as a trusted partner to leading global clients, including Jockey, Decathlon, Walmart, Mango, Primark, and others.



### Skilled Workforce

SIL's workforce of over 10,000+ skilled professionals drives the innovation and quality that define its offerings. Their expertise and commitment underpin the Company's ability to deliver exceptional results consistently.



### Fully Integrated Operations

Sangam operates as a fully integrated textile Company, seamlessly transitioning from yarn production to fabric manufacturing. This enables the Company to provide unlimited product combinations in an endless spectrum of shades, meeting diverse customer demands efficiently and cost-effectively.







## Commitment to Sustainability and Efficiency

Sustainability is seamlessly integrated into Sangam's operations. The Company enhances resource efficiency and optimises costs through 64 TPH agri-husk boilers, three solar power plants (17 MW), and a 5-MW wind facility. Water efficiency is further strengthened by three effluent and four sewage treatment plants, while its circularity efforts convert approximately 38,400 MT of plastic waste and 12,500 MT of textile waste each year into high-value fibre. These initiatives reinforce Sangam's environmental stewardship and position its operations for long-term resilience.



## Future-Ready Offerings

With a diverse product portfolio and a fully integrated model, Sangam is well-positioned to meet the evolving demands of customers worldwide. The Company's adaptability and innovative mindset ensure that it remains a step ahead of industry trends.



• Message from the Chairman

Building Strength.  
*Shaping Tomorrow.*

“

Our country emerged as the world's fourth-largest economy in 2025, propelled by structural reforms, strong domestic consumption, and the clear vision of Aatmanirbhar Bharat.

”



## Dear Shareholders,

In textiles, progress is rarely stitched in haste. It is patiently crafted, one thread at a time, guided by purpose and honed by experience. The year gone by was a reminder that while global uncertainties may fray the edges of confidence, they also test and ultimately affirm the strength of businesses built on resilience and clarity of direction.

The world in 2024 was far from steady. The global economy grew at 3.2% and is expected to moderate to 2.8% in 2025, as per the IMF's April Outlook. Geopolitical tensions in Russia-Ukraine and the Middle East, coupled with tariff measures introduced by the United States, kept inflation elevated and trade flows uneven. Yet, amidst these disruptions, India held its ground. Our country emerged as the world's fourth-largest economy in 2025, propelled by structural reforms, strong domestic consumption, and the clear vision of Aatmanirbhar Bharat. With real GDP growth at 6.5%, total exports rising 76% over the last decade to reach USD 825 Billion in 2024-25, and retail inflation easing to 4.6% (the lowest since 2018-19), India demonstrated that purposeful growth is not only possible but sustainable.

The Union Budget added further momentum by supporting investment-led growth, while policy measures such as the Production Linked Incentive (PLI) Scheme continued to provide scale advantages for the textile sector. Specifically, the PLI Scheme for man-made fibre apparel, MMF fabrics, and technical textiles, with an outlay of ₹1,148 Crore, has created new pathways for industry expansion.

It is against this backdrop that Sangam translated its strengths into measurable progress. Through our subsidiary, Sangam Ventures Limited, we secured selection under the PLI Scheme for man-made fibre apparel, particularly seamless garments. This milestone gives us a multi-year growth runway, with incentives payable for five years, from 2025-26 to 2029-30 strengthening our ability to compete at scale in a rapidly evolving market.

### Financial Performance: Building on Momentum

For the year ended 31<sup>st</sup> March, 2025, our revenues grew to ₹2,857 Crore from ₹2,628 Crore

in 2023-24, a growth of 8%. This expansion was driven by healthy volume growth and steady demand in export markets. EBITDA rose to ₹260 Crore from ₹228 Crore in the previous year, marking 12.3% growth and underscoring our operational efficiency and disciplined execution. Profit After Tax (PAT) stood at ₹32 Crore compared to ₹41 Crore in 2023-24, reflecting input cost fluctuations and our deliberate shift towards a margin-focused strategy.

Exports contributed ₹1,123 Crore during the year, supported by our strong positioning as a four-star export house and our ability to meet global quality standards. Our collaborative, partnership-driven approach also strengthened relationships with leading clients worldwide.

### Strategic Investments: Laying the Foundation for Future Scale

We continued to invest in capacity expansion, with a focus on value-accretive projects:





“  
Our purpose  
remains  
unchanged: to  
create value not  
only through  
scale but also  
through precision,  
agility, and  
innovation.  
”

○ **Yarn Manufacturing Capex:**

The yarn manufacturing project, with a total investment of ₹344 crores, was successfully completed during Q1 of FY 2025–26. This strategic initiative is aimed at supporting the growth of the denim fabric while optimizing the product mix within the fabrics business.

○ **Synthetic Fabric Capex:** ₹160

Crore project to increase weaving capacity from 48 MMPA to 65 MMPA; completion is now expected in Q2 2025- 26.

**Driving Responsible Growth**

Alongside financial progress, we continued to build on our sustainability initiatives. Our operations now recycle approximately 30,000 MT of fibre annually from 38,400 MT of plastic waste, complemented by the utilisation of 12,500 MT of cotton and other waste



materials. Our renewable energy infrastructure, comprising three solar plants with a total capacity of 17 MW and a 5-MW wind facility, steadily reduces our reliance on conventional energy sources. We also operate three effluent treatment plants and four sewage treatment plants, ensuring efficient and responsible water management across our facilities.

### Looking Ahead

As we move into 2025-26, we are intensifying our transition

from a volume-led model to a margin-focused strategy, aligning with global textile value chain trends. With capacity expansion underway, deeper participation in the PLI framework, and a growing pipeline of global clients, we are strongly positioned to deliver sustainable and profitable growth.

Our purpose remains unchanged: to create value not only through scale but also through precision, agility, and innovation.

### A Note of Gratitude

On behalf of the Board, I extend my sincere thanks to our shareholders, customers, business partners, and employees. Your trust and support continue to strengthen our resolve to build a company that is both competitive and future-ready. Together, we are shaping a stronger, more resilient future for Sangam.

Warm Regards,

***R. P. Soni***  
Chairman, Sangam (India) Limited



## Milestones

# Building a Legacy of Growth



## 2023

- Launched ₹504 Crore capex for yarn and synthetic fabric expansion
- Initiated upgrade of fabric weaving capacity from 48 to 65 MMPA

## 2022

- Added 32,832 spindles for cotton yarn manufacturing at Sareri

## 1998

- Added 11,520 spindles and a 3.8-MW captive power plant

## 2000

- Added 8,640 spindles, 16 weaving machines, and a 1.9-MW captive power plant

## 2003

- Added 26,592 spindles and a 10-MW coal-based thermal power plant

## 1995

- Backward integration into spinning with 17,280 spindles for PV dyed yarn

## 1993

- Converted to Public Limited as 'Sangam (India) Limited'
- Raised ₹15 Crore via IPO of 3.2 Million shares





**2018**

- Installed rope dyeing unit (24 ropes) and 78 looms at the denim unit

**2016**

- Added 26,736 spindles at Soniyana and 74 weaving machines

**2015**

- Set up a garment unit with 36 machines, 10,080 spindles, and 56 weaving machines

**2014**

- Installed balancing machinery in existing units

**2013**

- Expanded denim and process unit
- Added texturising yarn, open-end yarn, and knitting units

**2006**

- Amalgamated SPBL Limited (a process house) with the Company

**2009**

- Expanded to 1.13 Lakh spindles, 130 weaving machines, 12 knitting machines, and 6-MW and 15-MW captive thermal power plants

**2011**

- Expanded weaving and processing unit at Village Atun

**1984**

- Incorporated as a Private Limited Company by Mr. R. P. Soni
- Began operations with 8 weaving machines



Product Portfolio

## Shaping the *Future of Textiles*

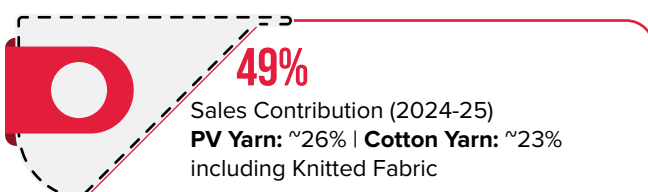
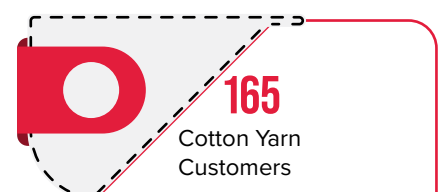
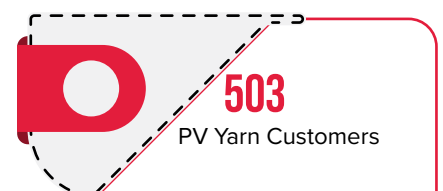
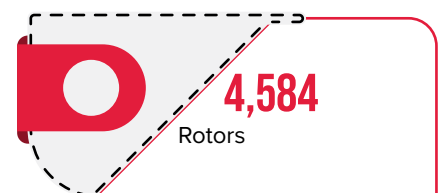
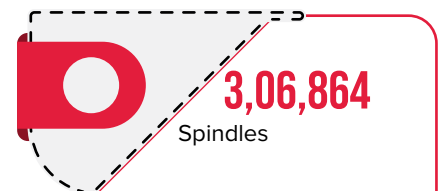
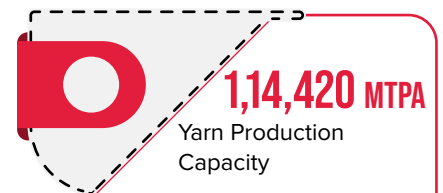
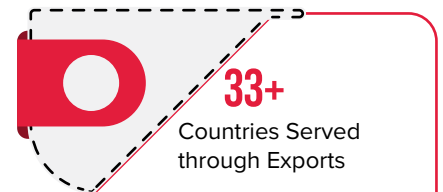
Sangam weaves innovation, precision, and quality into every thread of its diverse product portfolio. With a legacy of excellence and a forward-looking approach, Sangam continues to define industry standards by delivering products that consistently set new benchmarks.

### YARN

#### Spinning Industry Leadership

Sangam stands as the unrivalled leader in PV-dyed yarn in India, holding a commanding position as a price maker in the segment. The Company's expertise extends across a comprehensive portfolio that includes cotton and PV-dyed yarns, along with specialised varieties such as Core Spun Yarn, Eli Twist Yarn, and Slub Yarn.

Backed by the latest technology and a fully integrated production ecosystem, Sangam manufactures and exports premium-quality cotton yarns and blended yarn that meet the highest global standards. Each spool embodies precision engineering, consistency, and performance, enabling the Company to cater to a diverse base of leading clients.



## PV FABRIC

### Premium in Every Fabric

SIL stands as one of the largest exporters and the market leader in PV (Synthetic) fabric in India. Renowned for its expertise in processing PV, PV Lycra, PVW, polyester wool, and 100% wool, the Company has built a strong reputation for producing fabrics that embody sophistication, durability, and quality.

With state-of-the-art computerised designing and high-speed air-jet weaving machines, complemented by its in-house yarn capabilities, Sangam converts value-added yarns into some of the finest polyester, viscose, and blended fabrics. This integration not only ensures precision and consistency but also enables the Company to deliver a diverse product range that meets the exacting standards of its customers.



## DENIM FABRIC

### Innovation Meets Durability

The Company is one of India's largest exporters and a market leader in denim fabric, setting benchmarks for scale, quality, and innovation. With a comprehensive range spanning lightweight 4OZs to robust 15OZs, the Company's denim portfolio caters to diverse applications and evolving global fashion trends.

Leveraging its in-house yarn capabilities, Sangam seamlessly integrates value-added yarns into its production, ensuring exceptional strength, texture, and finish in every fabric. The Company's R&D-led approach has created a sustainable and versatile product line that includes Basics, Twills, Broken Twills, Satins, Denim Shirting, Fancy Dobby, and Regular Dobby.

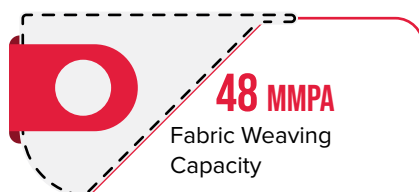
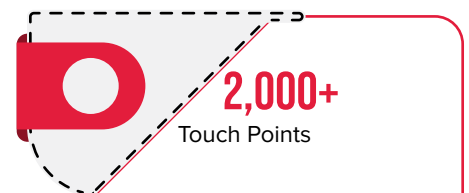
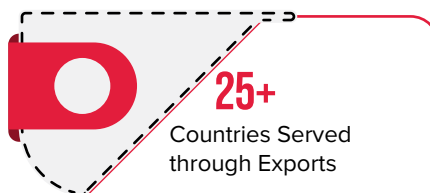
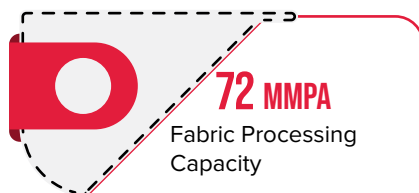
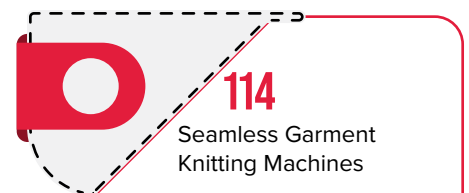
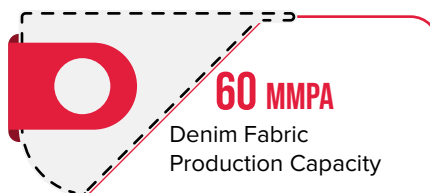
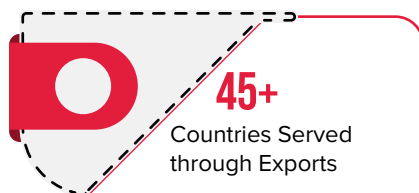
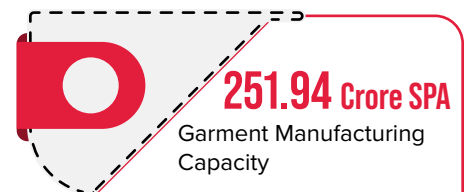
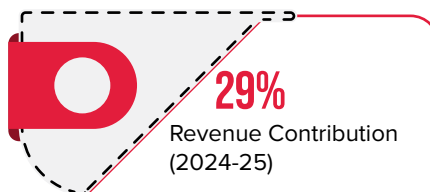
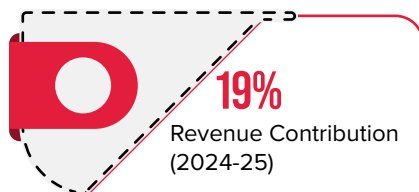


## GARMENTS

### Redefining Comfort and Style

Sangam, through its flagship brand C9, stands as one of India's largest manufacturers of seamless garments, reshaping the landscape of athleisure, intimate wear, and casual wear. With cutting-edge machinery sourced from Santoni, Italy, the Company delivers world-class precision, quality, and craftsmanship in every garment it produces.

Its product range spans a diverse mix of blends and natural fibres, designed to offer exceptional comfort, superior fit, and lasting style.





## Operating Environment

# Harnessing Opportunities in a *Dynamic Market*

The global textile landscape is marked by complexity and transformation, but within these shifts lay immense opportunity. As trade realigned, sustainability gained urgency, and sourcing preferences evolved, India emerged as a resilient force in the global value chain.

For Sangam (India) Limited, this changing environment was not a challenge to endure but an opportunity to harness. With its fully integrated operations, strong presence in value-added segments, and strategic alignment with national policies, Sangam has been able to turn industry headwinds into momentum. The Company's scale, technology-driven manufacturing, and sustainability-focused practices position it to capture growth from rising exports, shifting sourcing patterns from Bangladesh, and tariff-driven realignments in key markets.

## US TARIFFS

### Near-term Disruptions, Medium-term Gains

The introduction of new tariffs by the US under the incoming Donald Trump administration could create short-term headwinds for Indian exporters. However, the broader trend of reduced dependence on China is expected to benefit India in the medium term, as buyers increasingly diversify their sourcing to cost-competitive and strategically aligned partners such as India.

## FTAS

### Unlocking Global Markets

The India-UK Free Trade Agreement (FTA) is set to be a game-changer for textile exports. By eliminating tariffs on nearly all textile and apparel exports to the UK - previously at 8-12%, Indian products are now significantly more price-competitive compared with those from China, Vietnam, and Bangladesh.

The FTA simplifies market entry, expedites customs clearances, and offers duty-free access to one of Europe's largest apparel importers. Textile hubs such as Tiruppur, Surat, Ludhiana, and Panipat are poised to realise substantial gains, with exports of cotton T-shirts, ready-made garments, synthetic fabrics, denim, and home textiles expected to accelerate.

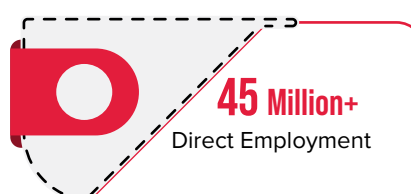
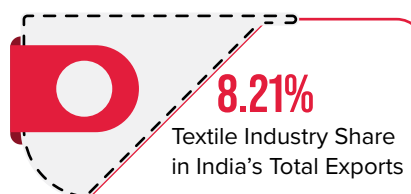
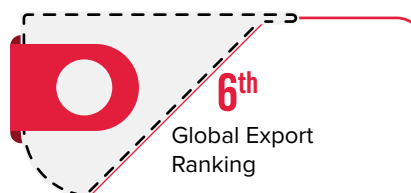
### India's Textile Industry: A Pillar of Growth

## BANGLADESH

### An Emerging Opportunity for India

Bangladesh, the world's second-largest exporter of ready-made garments after China, has faced political instability, labour unrest, and law-and-order concerns through 2024. This disruption has prompted several global and domestic brands to shift orders to Indian manufacturers.

India, which already supplies a significant share of fabric to Bangladesh, has leveraged this moment to strengthen its export position, particularly in value-added apparel categories. This shift has enabled Indian manufacturers, including Sangam, to benefit from a growing redirection of global sourcing preferences towards stable and compliant markets.



These dynamics align seamlessly with flagship government initiatives such as Make in India, Skill India, Women Empowerment, and Rural Youth Employment, positioning the sector as a key enabler of inclusive economic growth.

Government-led efforts to modernise infrastructure, upgrade technology, and attract investments have further enhanced India's position as a global textile hub. Events such as Bharat Tex 2025 highlighted India's capabilities in sustainable and value-added textile production, reinforcing its competitiveness on the global stage.



## PLI SCHEME

### Scaling New Horizons

The Production Linked Incentive (PLI) Scheme for textiles is accelerating the creation of large-scale manufacturing capacities in man-made fibre (MMF) apparel, MMF fabrics, and technical textiles.



For Sangam Ventures Limited, the Company's subsidiary, inclusion in this scheme for seamless garments provides a significant strategic advantage. The incentives, available until 2030, will enable us to expand our value-added product portfolio and scale operations with greater efficiency.

## COTTON PRICE TRENDS

### Balancing Competitiveness

Cotton prices in India remained 10-15% higher than international levels for most of 2024, affecting the cost competitiveness of the value chain. In 2025, while prices continue to fluctuate due to market demand and Minimum Support Price (MSP) adjustments, the gap with international benchmarks has not fully normalised. Nevertheless, Indian manufacturers are increasingly shifting towards value-added products, helping to offset some of the margin pressures associated with raw material costs.

## SUSTAINABILITY AND ECO-FRIENDLY PRACTICES

As sustainability becomes a non-negotiable expectation for global buyers, Indian manufacturers are embracing green manufacturing, circular economy principles, and eco-friendly product innovation. From organic fibres to sustainable dyes, India's textile ecosystem is rapidly aligning with global ESG standards. For Sangam, this trend reinforces the value of its ongoing investments in recycled fibres, renewable energy, and responsible water management.



## Value Creation Model

# Creating Value and Trust: *Utilising Resources Optimally*

Sangam ramps up its value proposition through a unique mix of approaches. While ensuring excellence in every product created, the Company keeps customer satisfaction at its core and harnesses the diversity of its resources.

### KEY INPUTS

### VALUE CREATION



#### Financial Capital

Sangam prudently deploys equity, debt, and retained earnings to fund operations and drive long-term value creation.

**₹ 50.25 Crore**  
Equity Share Capital  
**₹ 1,063.75 Crore**  
Total Debt  
**₹ 501.90 Crore**  
Retained Earnings



#### Manufacturing Capital

It operates advanced manufacturing facilities to deliver consistent, high-quality products that meet global standards.

**5**  
Manufacturing Units  
**₹ 358.41 Crore**  
Capital Expenditure in 2024–25



#### Intellectual Capital

The Company's in-house research and innovation capabilities enable it to develop differentiated, high-performance chemical solutions.

**₹ 14.94 Crore**  
R&D Spend in 2024–25



#### Human Capital

Sangam's diverse and skilled workforce forms the backbone of its operational excellence and innovation efforts.

**11,000+**  
Total Employees  
**540**  
Hours of Training Provided



#### Social & Relationship Capital

The Company engages meaningfully with communities and stakeholders to create long-term social impact and shared value.

**₹ 4.99 Crore**  
CSR Spend in 2024–25



#### Natural Capital

Sangam focusses on responsible use of natural resources and invest in renewable energy to minimise its environmental footprint.

**22 MW**  
Renewable Energy Capacity  
**Water Recycling and Zero Liquid Discharge Facilities**

#### The process

Sourcing of high-quality raw material (cotton)

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

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

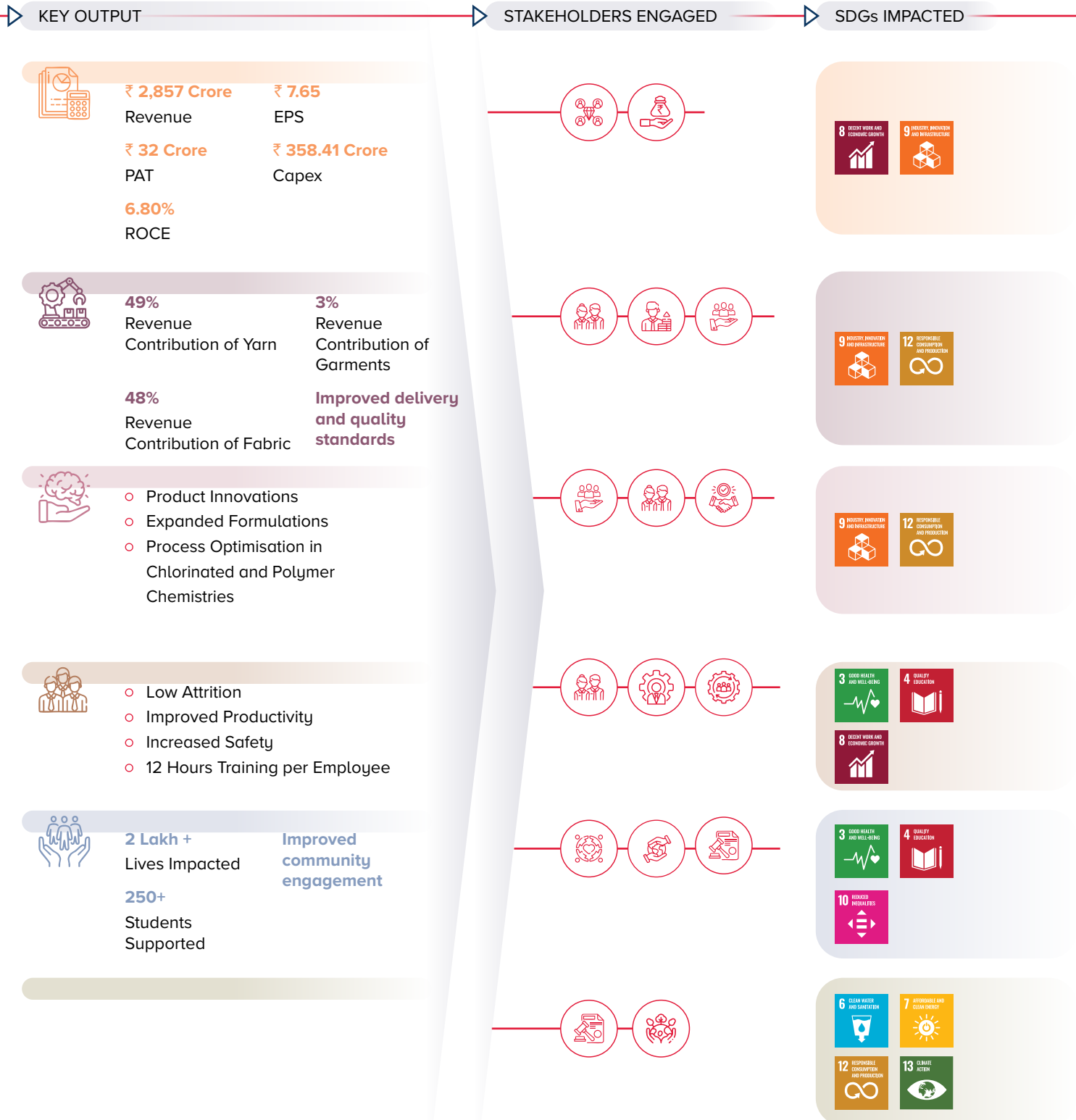
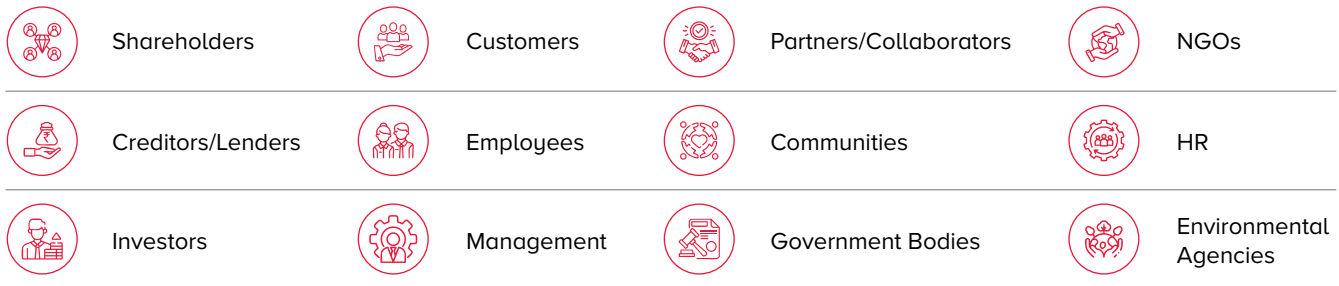
Strong branding with sophisticated offerings

Packaging and dispatching the finished products to the market

#### Offerings









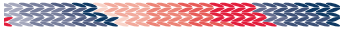



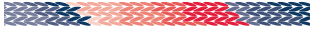
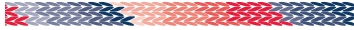








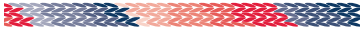
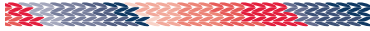


• **Financial Capital**

## Fuelling Growth with *Financial Resilience*

Grounded in strong fundamentals and guided by purposeful investments, the Company delivered steady financial growth in 2024-25. While ongoing capex initiatives laid the foundation for a stronger and more competitive future, these investments in advanced manufacturing, technology, and sustainable infrastructure are expected to translate into accelerated financial performance in the years ahead. By aligning near-term results with long-term value creation, the Company is weaving a resilient financial fabric designed to endure, adapt, and deliver sustained growth.



## KEY FINANCIAL METRICS

| Revenue  |   | (₹ in Crore) | EBITDA            |  | (₹ in Crore) |
|--|---|--------------|-------------------|--|--------------|
| FY 2024-25   |    | 2,856.95     | FY 2024-25        |    | 260.01       |
| FY 2023-24   |    | 2,628.06     | FY 2023-24        |    | 228.27       |
| FY 2022-23   |    | 2,712.30     | FY 2022-23        |    | 318.71       |
| FY 2021-22   |    | 2,437.76     | FY 2021-22        |    | 314.52       |
| FY 2020-21   |    | 1,358.97     | FY 2020-21        |    | 131.95       |
|  |   |              |                   |  |              |
| PAT  |   | (₹ in Crore) | ROCE              |  | (in %)       |
| FY 2024-25   |    | 31.80        | FY 2024-25        |    | 6.80         |
| FY 2023-24   |    | 40.82        | FY 2023-24        |    | 5.98         |
| FY 2022-23   |    | 130.54       | FY 2022-23        |    | 12.26        |
| FY 2021-22   |  | 140.65       | FY 2021-22        |  | 15.31        |
| FY 2020-21   |  | 4.21         | FY 2020-21        |  | 4.31         |
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| <i>*ROCE for 2024–25 has been estimated based on reported EBIT and average capital employed.</i> |   |              | <b>EPS</b> (in ₹) |  |              |
| <i>EPS reflects fully diluted earnings per share.</i>  |   |              |                   |  |              |
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\*ROCE for 2024–25 has been estimated based on reported EBIT and average capital employed.

EPS reflects fully diluted earnings per share.





• **Manufacturing Capital**

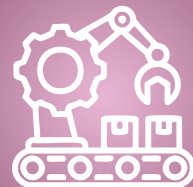
## Weaving Excellence into *Every Thread*

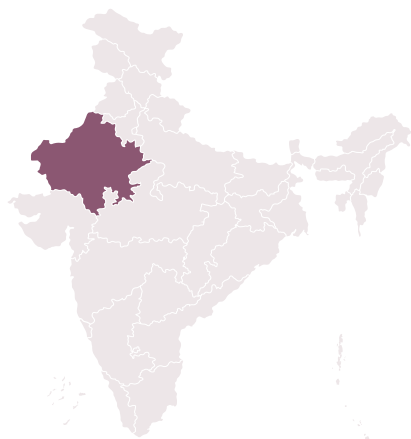
In the heart of Rajasthan, five world-class facilities form the backbone of a truly integrated textile ecosystem. From spinning precision yarns to crafting premium fabrics and garments, every stage is seamlessly connected, highly efficient, and driven by quality.

Each unit is designed to support large-scale manufacturing while maintaining the agility required to meet evolving fashion trends and specialised textile applications.

Each plant is a testament to the Company's passion for innovation, upholding the highest production standards while continually advancing the frontiers of quality in the textile industry.

Backed by sustainable practices and cutting-edge technology, these facilities not only fuel today's growth but also establish a strong foundation for the innovations of tomorrow.





| Locations              | Facilities                             |
|------------------------|--|
| Atun, Bhilwara         | Weaving, Processing, and Garment Plant |
| Biliya Kalan, Bhilwara | Denim Plant                            |
| Biliya Kalan, Bhilwara | Spinning Plant Unit-I                  |
| Sareri, Bhilwara       | Spinning Plant Unit-II                 |
| Soniyana, Chittorgarh  | Spinning Plant Unit-III                |

Disclaimer: This map is a simplified illustration provided for the reader's convenience in understanding the locations. It is not intended for reference purposes. The depiction of political boundaries and geographical features/states may not accurately reflect their true positions. The Company, along with its directors, officers, or employees, assumes no responsibility for any misuse or misinterpretation of the information or design. The Company does not guarantee the accuracy or completeness of the map.

## EXPANSION PROGRAMME: WEAVING THE NEXT CHAPTER OF GROWTH

Sangam (India) Limited is strengthening its leadership by investing in strategic capacity expansion and modernisation across its core businesses. These initiatives are designed not only to enhance scale but also to improve efficiency, product quality, and overall market competitiveness.



### Spinning Division

At its Sareri facility in Bhilwara, the yarn manufacturing project, with a total investment of ₹344 crores, was successfully completed in Q1 of FY 2025–26. This strategic initiative is designed to support the growth of denim fabric while optimizing the product mix within the fabrics business.

The expansion includes the addition of new spindles, rotors, and knitting machines, increasing the spinning capacity to over **3,06,864 spindles and 4,584 rotors**. This enhancement is expected to significantly boost production, improve operational efficiency, and strengthen the Company's ability to deliver high-quality yarn to global markets.



### Weaving Division

Simultaneously, the weaving unit at Atun, Bhilwara, is in the final stages of its large-scale expansion and modernisation programme. With a capital outlay of ₹161 Crore of which ₹120 Crore is being funded through term loans and the balance from internal accruals, the project will increase weaving capacity from **48 million meters per annum to 65 million meters per annum**. Equipped with state-of-the-art air-jet weaving machines and upgraded processing infrastructure, the expanded facility will enable the Company to produce higher-value, design-rich fabrics for both domestic and international markets.

Together, these investments represent a decisive step in Sangam's **Vision 2026 roadmap**, which targets increasing the revenue contribution of value-added fabrics and garments. By integrating technology, scale, and efficiency into its operations, the Company is positioning itself to meet evolving customer needs while reinforcing its competitive advantage in the global textile industry.







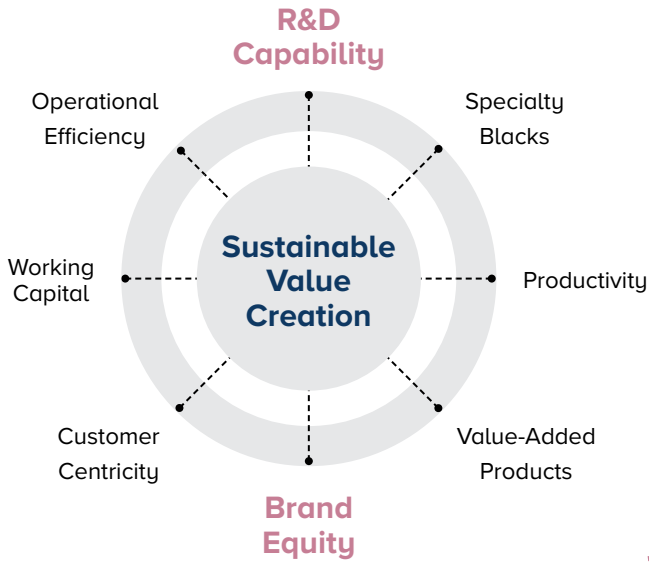
• Intellectual Capital

## Elevating Active *Lifestyles with Comfort*

When it comes to reimagining comfort and performance, the Company stands at the forefront, combining cutting-edge innovation with purposeful design. Innovation at Sangam extends far beyond machinery and materials; it is driven by the integration of design expertise, advanced technology, and deep market understanding.



Through proprietary advancements, every thread and seam is purposefully designed to amplify flexibility, breathability, and all-day freshness.



## KEY FEATURES THAT DEFINE SANGAM

### Seamless Technology

With CP technology, garments are crafted for a smooth, irritation-free fit, ensuring maximum comfort without being bulky seams.

### Breathable Fabrics

Advanced materials enhance airflow and keep wearers feeling light and refreshed, no matter the activity.

### Anti-Chafing Bands

Thoughtful design incorporates soft bands to eliminate skin friction, keeping the wearer comfortable and irritation-free.

### 4-Way Stretch

SIL's garments feature dynamic stretchability, empowering unrestricted movement for a truly active lifestyle.

### Rapid Dry Innovation

Lightweight, breathable fabrics expedite moisture evaporation, ensuring lasting comfort while preventing skin irritation.







• Human Capital

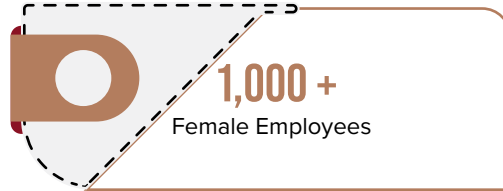
## Threads of Talent and *Fabric of Growth.*

Acknowledging people as its most valuable asset, the Company has built a workplace where employees feel empowered, respected, and motivated to excel. By promoting diversity, nurturing inclusion, and supporting continuous development, SIL cultivates an environment where ambition is encouraged and collaboration drives innovation.



## DIVERSITY AND INCLUSION

SIL embraces the power of diverse perspectives, recognising that inclusion is the cornerstone of a progressive and innovative organisation. With a workforce spanning varied demographics, the Company ensures that every voice is heard, every idea is valued, and every individual is equipped to realise their full potential.



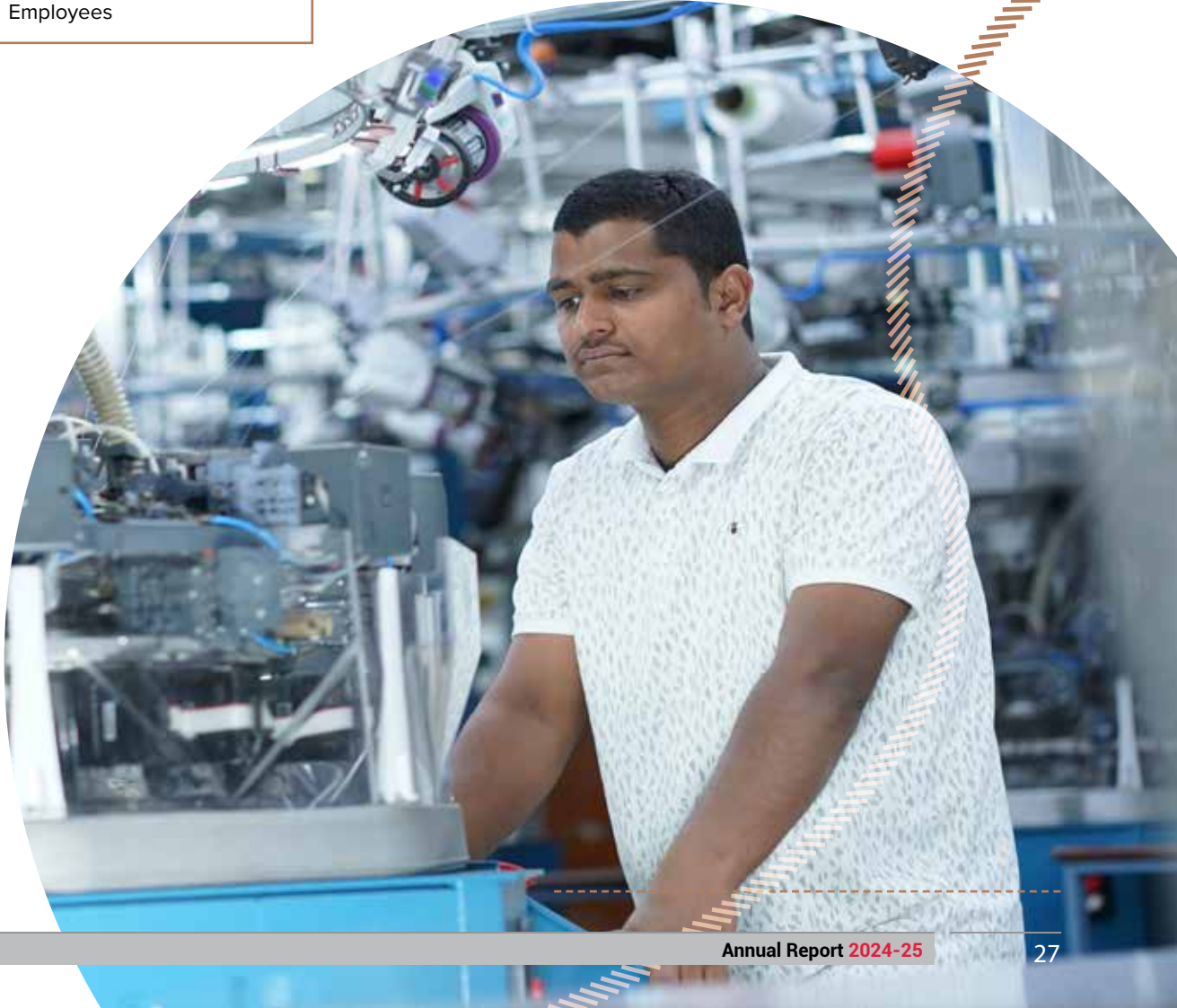
## TRAINING AND DEVELOPMENT

Continuous learning is woven into the fabric of SIL's culture. The Company's robust training programmes are tailored to equip employees with cutting-edge skills and industry insights. These initiatives are transformative, enabling employees to thrive in their roles and contribute meaningfully to the organisation's growth.



## EMPOWERING CAREERS

SIL's approach to human capital goes beyond today's needs to focus on building tomorrow's leaders. Through mentorship, leadership development programmes, and career progression opportunities, SIL ensures that its workforce is prepared to navigate and excel in a dynamic business landscape.





**Social & Relationship Capital**

## Envisioning a *Stronger Social Fabric*

SIL recognises that a robust and inclusive approach to social and relationship capital is vital for sustainable growth and long-term success. The Company's comprehensive strategy is built around creating a lasting impact on the broader community. Through targeted CSR initiatives and meaningful stakeholder engagement, Sangam fosters strong relationships and drives positive societal transformation.





## EMPOWERING COMMUNITIES

Sangam's comprehensive approach to CSR focusses on uplifting communities, fostering inclusivity, and addressing critical societal challenges. Over the years, it has impacted over 2 Lakh lives through targeted interventions, with initiatives that span education, healthcare, employment, and environmental sustainability.

### Women Empowerment Workshops

Sangam actively engages with women across communities through need-based workshops aimed at unlocking their potential. These initiatives encourage collective action, equip participants with practical skills, and drive transformative change for long-term community progress.

### Vocational Training

Believing that skills empower futures, Sangam invests in vocational training across health, education, and livelihood domains. These programmes equip the youth and underserved groups with employable skills, enabling them to build dignified lives and contribute meaningfully to the economy.

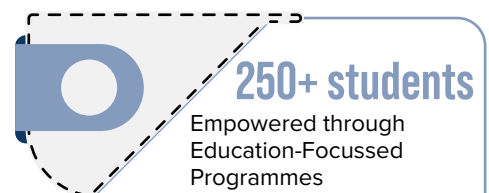
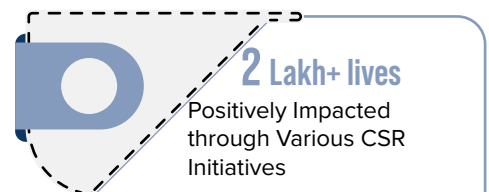
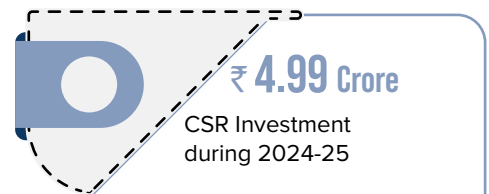
### Solidifying the Base

Recognising the unique needs of children with special learning requirements, the Company supports their all-round development through academic assistance and engaging workshops. These efforts ensure that no child is left behind in the journey toward education and inclusion.

### Health Awareness

Health is foundational to dignity. Sangam organises targeted awareness sessions on critical issues such as HIV, anaemia, women's health, hygiene, and cancer. These are complemented by medical camps that offer check-ups, guidance, and access to medicines, especially in underserved areas.

The establishment of educational institutes, a NABH-certified hospital, and ongoing welfare programmes underscore the Company's commitment to nurturing the communities that drive its success.







• **Natural Capital**

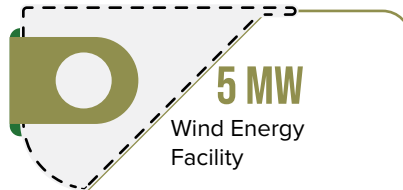
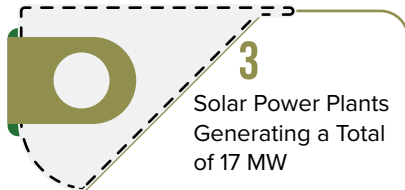
## Sustaining the *Future, Naturally*

At Sangam, the path to a sustainable tomorrow is paved with innovation, responsibility, and a deep-rooted respect for the planet. By weaving sustainability into every facet of its operations, the Company sets industry benchmarks, proving that commercial success can move in harmony with environmental stewardship.



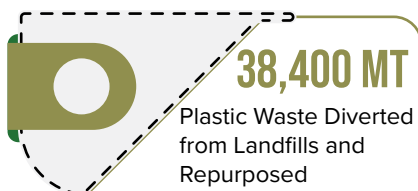
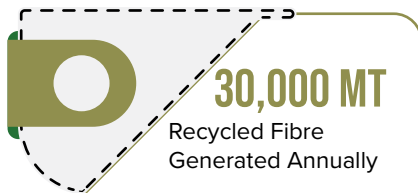
## RENEWABLE ENERGY: POWERING PROGRESS WITH CLEAN SOURCES

With a commitment to renewable sources, the Company operates a network of solar power plants and a robust wind energy facility. These initiatives underscore its determination to reduce dependence on conventional energy and accelerate the transition to a greener, cleaner future.



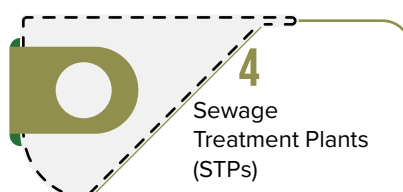
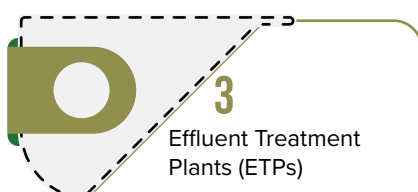
## RECYCLING: TRANSFORMING WASTE INTO VALUE

The Company has a comprehensive recycling strategy aimed at reducing landfill waste and promoting resource efficiency. By converting plastic waste into reusable materials and processing government-related solidified wastes.



## WATER CONSERVATION: EVERY DROP COUNTS

Sangam is a proactive steward of water resources, ensuring responsible consumption and meticulous management of wastewater. Through the installation of effluent and sewage treatment plants, the Company not only complies with regulatory standards but also actively contributes to the preservation of vital water resources.



• Governance Commitment

## Steering the Vision with *Expertise and Integrity*

### OUR BOARD OF DIRECTORS



**Mr. R. P. Soni**  
Founder & Chairman



**Dr. S. N. Modani**  
Vice Chairman



**Mr. Anurag Soni**  
Managing Director



**Mr. V. K. Sodani**  
Executive Director



**Mr. Sudhir Maheshwari**  
Independent Director



**Mr. Dinesh Chander Patwari**  
Independent Director



**Mr. Upendra Prasad Singh**  
Independent Director



**Mrs. Irina Garg**  
Independent Director





• Awards

## Celebrating Excellence *Across Textiles and Sustainability*



### **MATEXIL Export Award 2023-24**

Silver Trophy for the  
Synthetic & Rayon Spun  
Fabrics



### **MATEXIL Export Award 2023-24**

Gold Trophy for the Exports of  
Fabrics/ Madeups to  
“Focus Africa Countries”



### **TEXPROCIL Export Award 2022-23**

Gold Trophy for the Highest  
Exports of ‘Denim Fabrics’  
under category II



### **TEXPROCIL Export Award 2016-17**

Gold Plaque for the Highest  
Exports of ‘Denim Fabrics’  
under category I



### **“Rajasthan Energy Conservation Award” 2009-10**

by Hon’ble Ex CM of  
Rajasthan Sh. Ashok Gahlot.



### **Rajasthan State Award 2008**

for Export Excellence in textile  
sector by Hon’ble Ex CM of  
Rajasthan Smt. Vasundhara Raje.



### **Textile Excellence Award in 2003**

to Sangam Spinners, by Hon’ble  
Shri Narpat Singh Rajvi, Ex  
Minister of Industries,  
Government of Rajasthan.



### **“Power Brand Rising Star”**

awarded in year status by  
Indian Council For Market  
Research (ICMR) and  
Planman Consultancy.



### **“Rising Entrepreneur of the Year Award”**

for outstanding contribution  
to industry & India rising  
by Planman Consultancy.





## RECOGNISED FOUR STAR EXPORT HOUSE



## CERTIFICATIONS



# Management Discussion and Analysis (MD&A)

## ECONOMIC OVERVIEW

### Global Economy

The global economy registered a growth of 3.3% in 2024, signalling a degree of stability despite restrained momentum. However, 2025 has brought about increased volatility, shaped by evolving trade policies, rising geopolitical tensions, and enduring structural macroeconomic challenges. A significant inflection point occurred in April 2025, when the US introduced near-universal

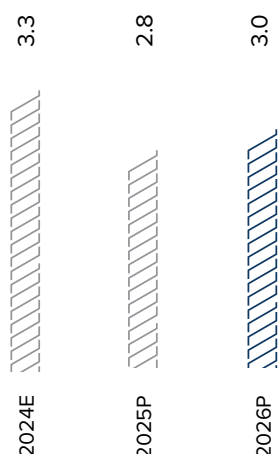
tariffs, prompting widespread retaliatory measures. These developments disrupted global trade patterns, triggered corrections across financial markets, and contributed to a rise in global bond yields.

In this shifting global landscape, GDP growth is projected to slow to 2.8% in 2025, with a modest recovery anticipated at 3.0% in 2026.

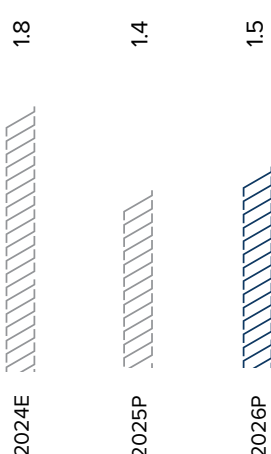
Inflation has remained more persistent than earlier forecasts suggested. Headline inflation is expected to average 4.3% in 2025, driven primarily by rising input and logistics costs. Core inflation continues to be elevated, particularly in the services sector, complicating the monetary policy decisions of central banks globally.

### GDP Growth Projections (%)

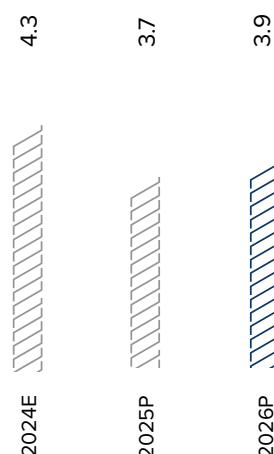
#### Global Economy



#### Advanced Economies



#### Emerging Markets and Developing Economies



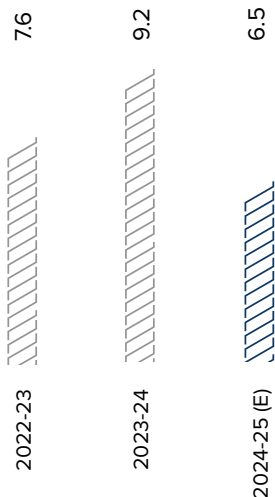
E – Estimated, P – Projected

Source: IMF World Economic Outlook, April 2025

### Indian Economy

India's economy grew by 6.5% in 2024-25, according to the National Statistics Office's second advance estimates released in February 2025. This growth was achieved despite ongoing global uncertainties, including trade tensions and geopolitical disruptions, and highlights the resilience of India's domestic demand as well as the effectiveness of its calibrated policy interventions.

### GDP Growth Projections (%)



Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2106921>  
 Note: E- Estimated

### INDUSTRY OVERVIEW

#### Global Textile Industry

The global textile market is positioned for continued expansion, supported by shifting consumer preferences, rapid technological progress, and evolving global dynamics. The market is expected at USD 696.16 Billion in 2025. Looking ahead, the market is projected to reach USD 915.96 Billion by 2029, at a CAGR of 7.1% over the forecast period. This strong growth trajectory underscores the industry's adaptability, resilience, and capacity to thrive amidst changing economic, technological, and environmental conditions. As economic development reshapes consumption patterns, demand continues to grow across segments such as apparel, home furnishings, and technical textiles.

The rise of fast fashion and the proliferation of e-commerce platforms have amplified demand for a diverse range of fabrics, prompting manufacturers to invest in more agile and innovative production systems that can rapidly respond to evolving market needs and reduce time-to-market across product categories.

Sustainability has emerged as a key priority, with increasing consumer preference for environmentally

responsible products. This is driving the development and adoption of textiles made from recycled materials, organic fibres, and renewable resources. As the sustainability imperative gains momentum, it is expected to reshape production practices and guide investment flows across the textile value chain.

The industry is also undergoing a significant structural transformation powered by the rise of smart textiles and the adoption of advanced digital manufacturing technologies. Smart textiles, or e-textiles, are engineered to respond to environmental stimuli such as temperature, pressure, and humidity. These intelligent fabrics incorporate sensors and conductive materials to enable functionalities such as health monitoring, thermal regulation, and data transmission. Their adoption is gaining momentum, particularly in high-performance segments including sportswear, healthcare, and defence, where innovation and functionality are critical differentiators.

Simultaneously, the integration of Industry 4.0 technologies including automation, robotics, artificial intelligence, and advanced processes like 3D knitting and digital printing is reshaping manufacturing operations. These innovations are enhancing production efficiency, enabling on-demand manufacturing, reducing material waste, and facilitating greater product customisation. AI-driven analytics are also increasingly instrumental in optimising supply chains, enhancing quality control, and improving responsiveness to shifting market dynamics.

(Source: <https://www.thebusinessresearchcompany.com/report/textile-global-market-report>  
 Research and Markets – Global Textiles Market)

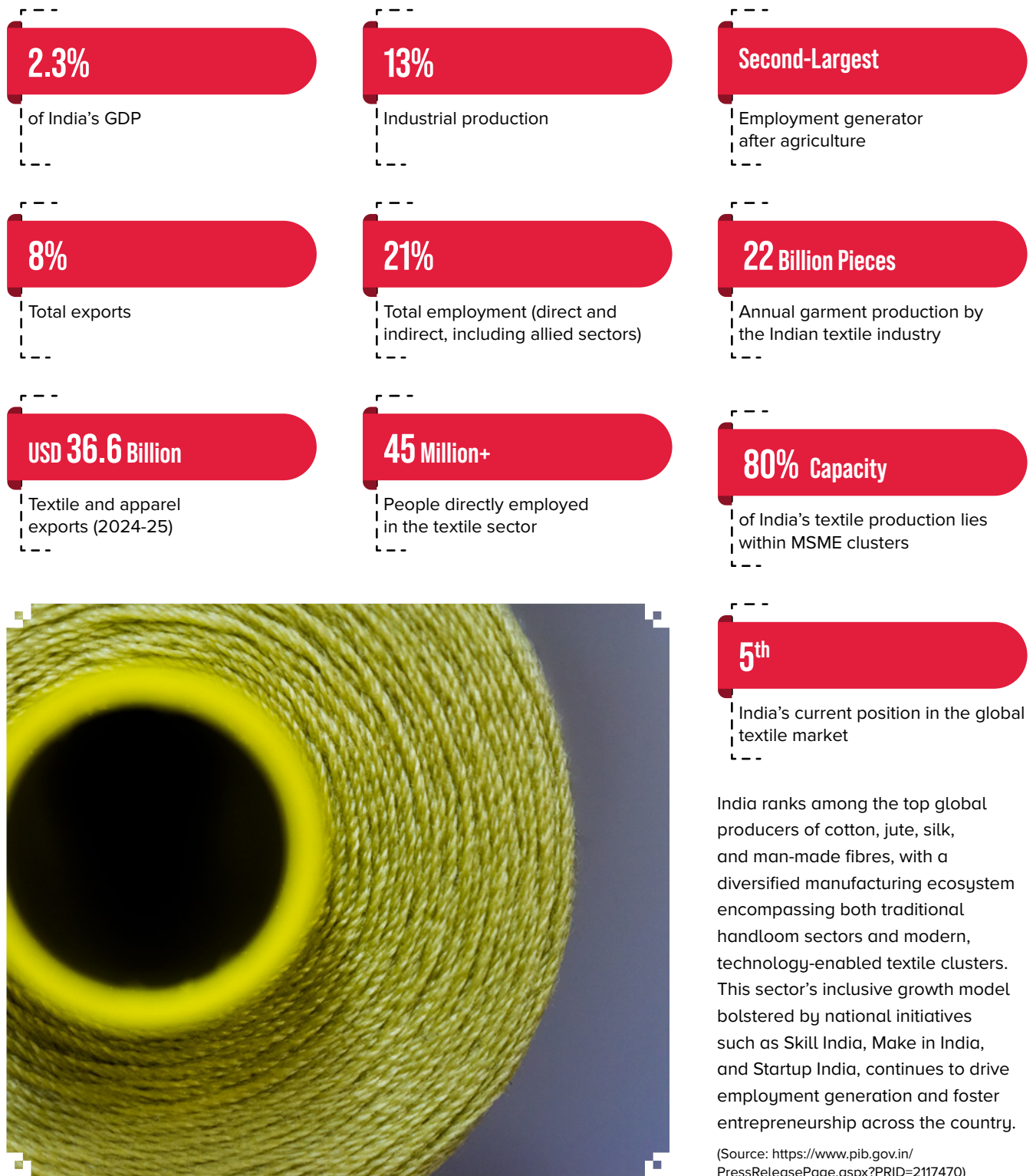




## The Indian Textile Industry

India's textile industry is one of the most significant contributors to the national economy accounting for approximately 2.3% of GDP, 13% of industrial production, and over 8% of total exports. With a legacy deeply rooted in cultural heritage and a strong base across natural and synthetic fibres, the industry spans the full value chain from farm to fashion. It is also among the largest employers in the country, offering direct employment to more than 45 Million people, with the majority engaged in rural and semi-urban clusters, especially within MSMEs.

(Source: <https://www.textilesphere.com/2024/11/indian-textile-industry-outlook-2025.html>)







## Man-Made Fibre (MMF) Industry

The Indian MMF industry continues to evolve in alignment with global trends favouring synthetic and blended textiles. India retained its position as the world's second-largest producer of MMF, with output reaching approximately 1,700 Million kg of fibres and 3,400 Million kg of filaments in 2024-25. Demand for polyester-viscose (PV) blends remained robust due to their affordability, durability, and versatility in diverse end-use applications.

The government's strategic push under the ₹10,683 Crore Production-Linked Incentive (PLI) scheme for MMF-based apparel and technical textiles has catalysed investment across the value chain. Global sourcing preferences are increasingly favouring reliable, vertically integrated suppliers like India, with new markets opening in Eastern Europe, Latin America, and Central Asia.

(Source: <https://ministryoftextiles.gov.in/sites/default/files/Indian%20Manmade%20fibre%20textile%20industry.pdf>  
<https://texmin.nic.in/pli-scheme-textiles>)

## Cotton Yarn Industry

India retained its position as the world's largest cotton producer, with 2024-25 production estimated at 302.25 Lakhs bales (170 kg each),

supported by favourable climatic conditions and stable input costs. The cotton yarn industry saw a measured recovery, aided by improved cotton price stability, better export realisation, and rising demand from both the domestic weaving sector and international buyers.

ICRA forecasts indicate 6-8% revenue growth for the spinning industry in 2024-25, backed by a 4-6% increase in volumes and improved spreads. Key export markets such as China, Bangladesh, and the US continued to constitute the bulk of India's cotton yarn exports, while domestic consumption gained traction, supported by higher fabric and garment production. India's well-integrated spinning ecosystem, availability of skilled labour, and inherent cost efficiencies further reinforce its global competitiveness in the cotton yarn segment.

(Source: <https://www.fashionatingworld.com/new1-2/india-cotton-production-to-rise-to-302-25-lakh-bales-in-2024-25-season>  
<https://economictimes.indiatimes.com/industry/cons-products/garments/-textiles/indian-cotton-spinning-industry-expected-to-recover-in-fy25-icra-report/articleshow/11782851.cms>)

## Activewear Segment

The activewear market in India continued on a robust growth trajectory in 2024-25, driven by rising health consciousness, greater participation in fitness activities,

and shifting consumer preferences towards comfort-oriented fashion. The segment was valued at USD 15.11 Billion in 2024, with a projected CAGR of over 12% through 2030.

Brands across the spectrum, including Indian players and global entrants, expanded local manufacturing capacity to meet surging demand. These efforts also reflected a broader push to localise production in response to increasing import restrictions and escalating logistics costs.

(Source: <https://www.grandviewresearch.com/horizon/outlook/activewear-market/india>)

<https://www.reuters.com/business/retail-consumer/japans-asics-boost-india-sportswear-production-40-amid-import-restrictions-2025-06-16>

<https://www.reuters.com/business/retail-consumer/jockey-india-licensee-page-industries-beats-q3-profit-view-strong-athleisure-2025-02-05>)

## Innerwear Segment

India's innerwear market continued to exhibit steady growth, reaching a size of USD 10.24 Billion in 2024, and is expected to touch USD 19.25 Billion by 2033, at a CAGR of 6.7%. The segment has been supported by rising fashion consciousness, lifestyle shifts, and the expansion of value-driven modern trade and e-commerce platforms.

Women's innerwear remains the largest contributor, accounting for approximately 60% of the market share, followed by the men's and kids' categories. Premiumisation, customisation, and innovation in design and fabric continue to be defining trends. The government's infrastructure initiatives, including support under PM MITRA and the PLI scheme, are expected to lower entry barriers and strengthen backward integration in the organised innerwear segment.

(Source: <https://www.imarcgroup.com/india-innerwear-market> <https://texmin.nic.in>)

## Government Initiatives

### Impact of Make in India on the Textile Industry

The Make in India initiative has been instrumental in revitalising India's textile and apparel industry by attracting investment, upgrading infrastructure, and driving modernisation across the value chain. Through a series of targeted schemes and policy interventions, the government has substantially improved the sector's global competitiveness, especially in MSME-driven manufacturing clusters.

(Source: <https://www.makeinindia.com/sector/textiles-and-garments>)

### PM MITRA Parks

To address infrastructure gaps and enable end-to-end integration, the PM MITRA (Mega Integrated Textile Region and Apparel) Parks scheme is establishing seven world-class parks across Gujarat, Maharashtra, Madhya Pradesh, Tamil Nadu, Karnataka, Uttar Pradesh, and Telangana. With a total budget of ₹4,445 Crore, these parks are designed to reduce logistics costs, attract FDI, and strengthen India's global supply chain linkages.

(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1806659>  
<https://www.texmin.nic.in/pm-mitra>)

### Textile Cluster Development Scheme (TCDS)

TCDS aims to enhance the operational viability of textile clusters by providing shared infrastructure and service linkages. Backed by ₹853 Crore, the scheme has created over 1.22 Lakhs employment opportunities as of 2024-25, facilitating economies of scale and better access to technology.

(Source: <https://texmin.nic.in/tcdis>  
<https://texmin.nic.in/documents/annual-reports>)

### PLI Scheme

The PLI Scheme for Textiles, with an outlay of ₹10,683 Crore, has been introduced to incentivise large-scale manufacturing of MMF and technical textiles. It offers financial incentives to companies investing in high-value segments such as performance fabrics and functional apparel, with the objective of enhancing exports and creating employment opportunities in advanced product categories.

(Source: <https://texmin.nic.in/pli-scheme-textiles>  
<https://pib.gov.in/PressReleasePage.aspx?PRID=1780271>)

### Samarth Scheme

The Samarth Scheme focuses on skill development to bridge the industry's workforce gaps. In 2023-24, ₹115 Crore was sanctioned under the scheme, with over 3.82 Lakh individuals trained and 2.97 Lakhs (77.74%) successfully placed as of March 2025. The programme is preparing the textile workforce for a more automated and technology-driven future.

(Source: <https://samarth-textiles.gov.in/>  
<https://pib.gov.in/PressReleasePage.aspx?PRID=1996074>)

### National Technical Textiles Mission (NTTM)

With a budget of ₹1,480 Crore for a period from 2020-21 to 2025-26, the NTTM is strengthening India's position in the global technical textiles market. The mission focuses on R&D, education, and export promotion in high-value segments like medical, agro, and geo textiles. As of January 2025, 168 projects worth ₹509 Crore had been approved under this initiative.

(Source: <https://technicaltextiles.gov.in/nttm>  
<https://pib.gov.in/PressReleasePage.aspx?PRID=2002059>)

## Union Budget 2025-26 Measures

Reinforcing the sector's upward trajectory, the Union Budget 2025-26 raised the Ministry of Textiles' allocation by 19% to ₹5,272 Crore. Key measures included the introduction of a five-year Cotton Mission aimed at improving extra-long staple (ELS) cotton productivity, a customs duty exemption on select shuttle-less looms to support weaving modernisation, and an increase in duties on knitted fabric imports to safeguard domestic manufacturers. The budget also extended support to handicrafts by lengthening export timelines and allowing duty-free input additions, while MSMEs were further empowered through enhanced credit access and the launch of Bharat Trade Net, a digital platform designed to streamline export documentation.

(Source: <https://www.indiabudget.gov.in/doc/eb/sbe83.pdf>  
<https://www.financialexpress.com/business/budget/budget-2025-textile-sector-highlights-3371251> <https://www.indiabudget.gov.in/>)

## OPPORTUNITIES

1

### Sustainability and Eco-Friendly Textiles

Rising global awareness around environmental sustainability is creating a compelling opportunity for Indian textile companies to lead in the development of organic and eco-conscious fabrics. The demand for biodegradable materials, water-efficient manufacturing processes, and ethically sourced raw materials is steadily rising. This shift is driving the adoption of circular business models, green technologies, and responsible manufacturing practices, unlocking new growth avenues in both domestic and export markets.

2

### Government Initiatives and Policy Support

The Indian government continues to prioritise the growth of the textile sector through initiatives such as the PLI Scheme, Make in India, and other export-linked incentives. These policies provide a conducive ecosystem for investment in modern, integrated textile units by offering financial support, infrastructure, and tax incentives. Such initiatives are also intended to improve global competitiveness and support capacity expansion, especially in high-value segments like technical textiles and MMF production.

3

### Technological Advancements and Digital Integration

Rapid advancements in automation, AI, and smart textile innovation are reshaping the manufacturing landscape. Digital platforms are enabling greater end-to-end supply chain visibility, enhancing quality control, and driving operational efficiency. Additionally, the expanding e-commerce ecosystem has facilitated the rise of direct-to-consumer channels, enabling textile brands to broaden their reach, strengthen customer engagement, and respond more swiftly to evolving market trends.

4

### Export Potential and Global Demand

India remains one of the largest textile exporters globally, supported by its large manufacturing base, skilled workforce, and diverse product range. With increasing demand for affordable, high-quality textiles worldwide, Indian manufacturers are well-positioned to expand their international footprint by leveraging free trade agreements, tapping into emerging markets, and responding to shifts in global supply chains caused by geopolitical disruptions and China+1 strategies.





## THREATS



### Supply Chain Disruptions and Raw Material Volatility

Fluctuations in the prices of key raw materials, such as cotton and synthetic fibres, continue to exert pressure on input costs and profit margins. In addition, global supply chain disruptions caused by geopolitical tensions, trade restrictions, and climate-related events pose risks to the availability and timely sourcing of materials, thereby impacting production timelines and pricing stability.



### Competitive Pressure from Global Markets

India faces strong competition from countries like Bangladesh and Vietnam, which offer lower labour costs and enjoy preferential trade agreements with key importing nations. To remain competitive, Indian manufacturers must prioritise productivity enhancement, design and innovation capability development, and the strengthening of global brand visibility.



### Labour Shortages and Skill Gaps

Despite having a large labour pool, the sector continues to face a shortage of skilled workers in advanced textile processes such as digital printing, technical textiles, and automated production. Addressing this gap requires sustained investment in skilling, vocational training, and capacity-building initiatives, particularly to align the workforce with Industry 4.0 standards.



### Environmental Regulations and Compliance

With tightening environmental regulations worldwide, textile manufacturers are under increasing pressure to comply with sustainability norms. This includes reducing water consumption, managing chemical effluents, minimising waste, and ensuring responsible sourcing. Compliance is not only critical from a regulatory perspective but also essential to meeting the expectations of environmentally conscious consumers and international buyers.

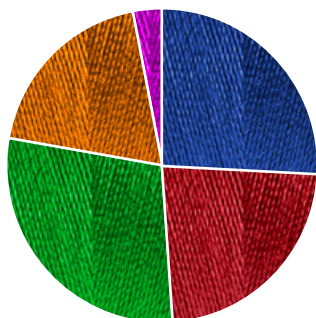
## COMPANY OVERVIEW

Founded in 1984, Sangam (India) Limited (also referred to as 'Sangam,' 'SIL' or 'The Company') is a fully integrated textile company, operating seamlessly across the entire value chain, from yarn manufacturing and fabric processing to garmenting. Headquartered in Bhilwara, Rajasthan, the Company has established a strong foundation of manufacturing excellence and innovation over four decades.

SIL operates five advanced manufacturing units located in Bhilwara and Chittorgarh, equipped with state-of-the-art spinning, weaving, processing, and garmenting technologies. With an installed base of over 3 Lakhs spindles, a denim production capacity of 60 Million meters, and a robust seamless garment facility, SIL is one of India's leading producers of PV-dyed yarn and denim fabric.

The Company's wide-ranging product portfolio includes PV-blended yarns, cotton and open-end yarns, PV fabrics, denim fabrics, seamless garments under the C9 brand, and knitted fabrics. It serves a reputed client base including Walmart, Marks & Spencer, Primark, Zudio, Nykaa, Jockey, Decathlon, Mango, Reliance Retail & More. SIL's customer-centric approach and diversified product portfolio enabled it to expand its international footprint, exporting to over 50 countries.

## Product-Wise Revenue Contribution (2024-25)






| Products                       | Share of Revenue |
|--------------------------------|------------------|
| PV Yarn                        | 26%              |
| Cotton Yarn                    | 23%              |
| Denim Fabric                   | 29%              |
| PV Fabric (Woven + Processing) | 19%              |
| Garments                       | 3%               |

## Installed Machinery Trends

| Metric                                    | 2022-23  | 2023-24  | 2024-25  |
|---|----------|----------|----------|
| Installed Spindle Capacity (nos.)         | 2,65,875 | 2,97,744 | 3,06,864 |
| Open-End Rotors (nos.)                    | 2,664    | 2,664    | 4,584    |
| Texturising Machines (nos.)               | 3        | 3        | 2        |
| Circular Knitting Machines (nos.)         | 26       | 26       | 32       |
| Denim Fabric Processing Lines (nos.)      | 5        | 5        | 5        |
| Indigo Rope Dyeing Ranges (nos.)          | 1        | 1        | 1        |
| Weaving Machines (nos.)                   | 524      | 562      | 602      |
| Fabric Processing Capacity (MMPA)         | 72       | 72       | 72       |
| Seamless Garment Knitting Machines (nos.) | 58       | 114      | 114      |
| Captive Solar Power Capacity (MW)         | 13       | 17       | 17       |
| Wind Power Capacity – Jaisalmer (MW)      | 5        | 5        | 5        |

## Product-Wise Revenue Contribution (2024-25)

| Business Unit   | Revenue Mix                         | Geographic Mix                | Market Leadership   | Customer Base                                 |
|---|-------------------------------------|-------------------------------|---|---|
|  <b>Yarn</b>       | PV Yarn: 26%<br>Cotton Yarn: 23%    | Domestic: 64%<br>Exports: 36% | Largest producer of PV-dyed yarn in India; price influencer | B2B textile and apparel manufacturers         |
|  <b>Fabric</b>     | Denim Fabric: 29%<br>PV Fabric: 19% | Domestic: 56%<br>Exports: 44% | Leading exporter and market leader in denim fabric          | Global brands and export houses               |
|  <b>Garments</b> | 3%                                  | Domestic: 100%                | India's largest seamless garment producer                   | D2C (C9 brand), e-commerce, and retail chains |

## Category-Wise Demand Drivers

| Category                 | Primary Demand Drivers  |
|--------------------------|---|
| <b>Yarn</b>              |   |
| <b>PV Yarn</b>           | Durability, cost-efficiency, and multipurpose applications in industrial and fashion uses |
| <b>Cotton Yarn</b>       | Rising preference for breathable, natural fabrics across lifestyle segments               |
| <b>Fabric</b>            |   |
| <b>PV Fabric</b>         | Affordable and low-maintenance qualities driving growth in formalwear                     |
| <b>Denim Fabric</b>      | Versatile design finishes and robust demand in casualwear markets                         |
| <b>Garments</b>          |   |
| <b>Seamless Garments</b> | Innovation in athleisure, comfort-first clothing, and premium innerwear trends            |






## OPERATIONAL HIGHLIGHTS

- ▶ Strengthened global presence, with exports to over 54 countries contributing ₹1,123 Crore in revenue.
- ▶ Enhanced operational efficiencies and capacity utilisation across manufacturing units.
- ▶ Maintained strategic focus on transitioning from a volume-led to a value-led product portfolio.



## FINANCIAL PERFORMANCE

### Key Financial Ratios

| Category   | Ratio  | 2023-24 | 2024-25 | Change (%) |
|--|--|---------|---------|------------|
| <br><b>Key Financial Ratios</b> | Debt-Equity Ratio (x)  | 1.02    | 1.06    | 4.1        |
|  | Interest Coverage Ratio (x)  | 3.12    | 2.58    | (17.3)     |
| <br><b>Liquidity Ratios</b>     | Current Ratio (including current maturities of long-term debt) (x) | 1.27    | 1.19    | (6.1)      |
|  | Current Ratio (excluding current maturities of long-term debt) (x) | 1.34    | 1.26    | (5.9)      |
|  | Debtors' Turnover (no. of days)                                    | 56      | 61      | 10.1       |
|  | Inventory Turnover (no. of days)                                   | 89      | 87      | (2.3)      |
| <br><b>Profitability Ratios</b> | Operating Profit Margin (%)  | 7.73    | 8.02    | 3.8        |
|  | Net Profit Margin (%)  | 1.44    | 0.97    | (32.8)     |
|  | Return on Net Worth (%)  | 3.86    | 2.74    | (29.2)     |

## RISK OVERSIGHT AND MITIGATION

SIL has instituted a comprehensive risk governance framework that spans risk identification, assessment, mitigation, and reporting. The Risk Management Committee periodically reviews and addresses a range of risks that could influence operational and financial performance. These include shifts in business conditions, market volatility, geopolitical uncertainties, environmental challenges, and liquidity constraints.

Each identified risk is assessed in terms of likelihood and potential impact, followed by the development of mitigation strategies tailored to safeguard business continuity. This proactive approach enables the Company to respond dynamically to evolving risk scenarios while supporting strategic decision-making.

## PEOPLE AND CULTURE

People are central to SIL's progress. The Company places strong emphasis on building an inclusive, engaged, and high-performing workforce. Recognising employees as a key source of intellectual capital, SIL is focused on attracting, developing, and retaining talent across its operations.

### Employee Experience and Development

In 2024–25, Sangam undertook several initiatives to enhance employee engagement, skill development, and workplace well-being. The Company's efforts focused on equipping its workforce with future-ready capabilities, fostering a culture of safety, and promoting inclusivity across the organisation.

### Training and Skill Development

A structured learning calendar was rolled out covering technical, managerial, and behavioural skills.

Key programmes included:

- ▶ Lean Six Sigma for driving process excellence and operational efficiency.
- ▶ Power BI training for enhancing data analytics and decision-making capabilities.
- ▶ Negotiation and Salesmanship workshops to strengthen frontline performance.
- ▶ Management Development Programmes (MDPs) for building leadership and managerial competencies.

### Soft Skills and Workplace Readiness

To complement technical training, employees were engaged in sessions on:

- ▶ Health and Safety practices and compliance requirements.
- ▶ Social Benefits and Inditec Audits to ensure awareness of welfare measures and compliance standards.
- ▶ Communication and Interpersonal Skills for workplace effectiveness.
- ▶ Gender Sensitisation and Equal Opportunity workshops to reinforce an inclusive culture.





## Operational and Safety Training

In alignment with its focus on safety and quality, the Company organised practical training on:

- ▶ Workplace safety and occupational health.
- ▶ Machine operation and preventive maintenance.
- ▶ Quality control, yarn standards, and process adherence.
- ▶ Lean manufacturing and waste reduction practices.

These initiatives underline Sangam's commitment to nurturing a skilled, safe, and inclusive workforce, aligned with its growth and sustainability objectives.

To support continuous capability development, SIL has implemented a structured learning and development framework that encourages skill enhancement across roles. As of 31<sup>st</sup> March, 2025, the Company employed over 11,000 individuals across multiple geographies and functions.

Through its commitment to a diverse, empowered, and future-ready workforce, SIL continues to invest in long-term organisational growth and resilience.

## INTERNAL CONTROLS AND ASSURANCE

SIL upholds robust and effective internal control systems that match the scale and complexity of its operations. These systems are designed to ensure that transactions receive proper management authorisation and are integrated at all organisational levels. They facilitate compliance with statutory and regulatory standards for internal controls and ensure



the accurate recording of both financial and operational data, adhering to generally accepted accounting principles. Additionally, these controls provide adequate protection against significant asset misappropriation or loss. A key element of SIL's internal control framework is its independent internal audit function, supported by a comprehensive internal audit programme and regular evaluations conducted 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 is pleased to present the 39<sup>th</sup> Annual Report of the Company, along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2025.

## FINANCIAL PERFORMANCE AND HIGHLIGHTS

The audited financial statements (standalone and consolidated) of the Company, prepared in accordance with Indian Accounting Standards (Ind AS), are provided in this Annual Report. Highlights of the financial performance (standalone and consolidated) of the Company for the financial year ended 31<sup>st</sup> March, 2025, is summarised below:

(₹ in Crore)

| Particulars   | Standalone              |                          | Consolidated            |                          |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
|   | Current Year<br>2024-25 | Previous Year<br>2023-24 | Current Year<br>2024-25 | Previous Year<br>2023-24 |
| <b>Turnover</b>   |                         |                          |                         |                          |
| Export  | 1,122.51                | 867.35                   | 1,122.51                | 867.35                   |
| Domestic  | 1,720.50                | 1,780.62                 | 1,734.44                | 1,760.71                 |
| <b>Total</b>  | <b>2,843.01</b>         | <b>2,647.97</b>          | <b>2,856.95</b>         | <b>2,628.06</b>          |
| Profit before Tax, Interest & Depreciation and before Exceptional Items | 244.34                  | 218.32                   | 260.01                  | 228.27                   |
| Less: Interest/Finance Cost   | 92.10                   | 67.85                    | 94.68                   | 71.43                    |
| Profit before Tax & Depreciation and before Exceptional Items           | 152.24                  | 150.47                   | 165.33                  | 156.84                   |
| Less: Depreciation & Amortisation                                       | 106.80                  | 90.91                    | 114.49                  | 96.81                    |
| Profit/(Loss) before exceptional items & tax                            | 45.44                   | 59.56                    | 50.84                   | 60.03                    |
| Exceptional Items   | 6.64                    | 6.64                     | 6.64                    | 6.64                     |
| Profit/(Loss) before Tax  | 38.80                   | 52.92                    | 44.20                   | 53.39                    |
| Less: Current Tax   | 4.55                    | 10.97                    | 4.55                    | 10.97                    |
| Tax of earlier years  | 0.90                    | (0.28)                   | 0.90                    | (0.28)                   |
| Deferred Tax Liability/(Asset)  | 5.88                    | 4.14                     | 6.95                    | 1.88                     |
| Profit/(Loss) after Tax   | 27.47                   | 38.09                    | 31.80                   | 40.82                    |

## OPERATIONAL PERFORMANCE AND STATE OF AFFAIRS

### Standalone Performance:

For the financial year 2024-25, the Company has recorded a revenue from operations of ₹ 2,843.01 Crore, which represents a growth of 7.37% from ₹ 2,647.97 Crore in the previous financial year. The increase in revenue was primarily driven by export sales showed significant growth during the year.

**Net Profit After Tax (PAT):** The Company's PAT for the year was ₹ 27.47 Crore, as compared to ₹ 38.09 Crore in FY 2023-24. This decline was mainly attributed to a rise in finance costs, as well as an increase in depreciation and amortisation charges.

The Company has made substantial investments in modernisation and expansion, and while this will benefit future performance, these have contributed to higher depreciation costs in the short term. The Board remains confident about the long-term benefits arising from these investments.

The Company's export revenue grew significantly to ₹ 1,122.51 Crore, up from ₹ 867.35 Crore in the previous year. This marks an increase of 29.42%, with exports now accounting for approximately 39.48% of the Company's total revenue. This demonstrates the Company's growing presence in international markets and its ongoing efforts to strengthen its global footprint.

The Company has undertaken several initiatives to expand its export market share, focusing on key regions with strong growth potential. The increase in export revenue underscores the effectiveness of these efforts.

### Consolidated Performance:

The consolidated revenue from operations for the year 2024-25 stood at ₹ 2,856.95 Crore, compared to ₹ 2,628.06 Crore in the previous year. This reflects an increase of 8.71% and demonstrate consistent growth across international markets. The growth was fueled by an increase in exports.

## BOARD'S REPORT (CONTD.)

The consolidated Net Profit After Tax (PAT) for Financial Year 2024-25 was ₹ 31.80 Crore, a decrease from ₹ 40.82 Crore in Financial Year 2023-24. The decrease in PAT was due to the increase in finance costs and depreciation.

### EXPANSION PROGRAMME

#### SPINNING DIVISION

The Company is pleased to report that the ongoing expansion and modernisation of its spinning unit located at Village Sareri, Bhilwara (Rajasthan) is progressing as planned. This strategic initiative, with a financial outlay of ₹ 344 Crore, is on track for completion within the stipulated timeline.

The expansion project has been funded through a term loan of ₹ 258 Crore from our bankers, with the balance through internal accruals. Once completed, the upgraded spinning unit will significantly enhance the Company's production capacity, improve operational efficiency, and elevate product quality, thereby supporting the Company's long-term growth objectives.

#### WEAVING DIVISION

Similarly, the Company is nearing the completion of the expansion and modernisation project for its weaving unit at Village Atun, Chittorgarh Road, Bhilwara (Rajasthan). The financial outlay for this project is ₹ 161 Crore and the project is progressing according to the original schedule.

The expansion has been financed through a term loan of ₹ 120 Crore with the remaining portion funded from internal accruals. Upon completion, this project will enhance the Company's fabric production capabilities, enabling us to meet increasing market demand. Additionally, it will strengthen the Company's position in the market by enabling the production of higher-value, value-added products. This expansion is a key part of the Company's strategy to enhance its market competitiveness and position in the fabric manufacturing sector.

### TRANSFER TO RESERVE

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

### DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 2/- per equity share of ₹ 10/- each @ 20% for the financial year 2024-25. This dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

### SHARE CAPITAL

During the year under review, there has been no change in the authorised share capital.

During the financial year under review, there has been no change in the paid-up share capital of the Company. The paid-up share capital remains at ₹ 50,24,65,590 (Rupees Fifty Crore Twenty-Four Lakhs Sixty-Five Thousand Five Hundred Ninety Only), divided into 5,02,46,559 equity shares of ₹ 10 each.

### EMPLOYEES BENEFITS SCHEME(S)

The Company has implemented the Sangam (India) Limited Employees Stock Option Scheme - 2022 (ESOP Scheme, 2022) as amended with a pool of 22,50,000 Options, which is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity Shares) Regulations, 2021 and is administered by Sangam (India) Limited Employees Welfare Trust under the supervision of Nomination & Remuneration Committee and/or the Board of Directors. The Sangam (India) Limited Employees Welfare Trust acquires the shares of the company from secondary market and implement the ESOP Scheme as the aforesaid regulations.

The details and information required pertaining the ESOP Scheme, 2022 is available on the website of the Company. The Secretarial Auditors' certificate on the implementation of ESOP Scheme-2022 in accordance with SEBI (Share Based Employee Benefits and Sweat Equity Shares) Regulation, 2021 will be made available during the 39<sup>th</sup> Annual General Meeting.

The Company has made the necessary disclosures as per Regulation 14 of the SEBI (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 on the website of the company on following web link: [https://sangamgroup.com/financials/Handbook/ESOP\\_Disclosure\\_FY\\_24-25.pdf](https://sangamgroup.com/financials/Handbook/ESOP_Disclosure_FY_24-25.pdf)

### WHOLLY OWNED SUBSIDIARY COMPANY

Sangam Ventures Limited (SVL), a wholly-owned subsidiary of the Company, has been established with the aim of setting up a world-class manufacturing plant for seamless garments. SVL's product range will include garments made from advanced blends such as polyamide, spandex, polypropylene, and natural fibres. This initiative is in line with the Company's strategy to expand its product portfolio and tap into emerging segments of the garment manufacturing industry.

The Company does not have any associate companies during the period under review.

## BOARD'S REPORT (CONTD.)

A statement detailing the salient features of the financial statements of the subsidiaries, as required under the first proviso to Section 129(3) read with Rule 5 of the Companies (Accounts) Rules, 2014, is provided in Annexure I of this report.

The Company has adopted a policy for determining material subsidiaries in line with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy is available on the Company's website for stakeholders reference. [https://sangamgroup.com/financials/Policies/Material\\_Subsiidiaries\\_Policy.pdf](https://sangamgroup.com/financials/Policies/Material_Subsiidiaries_Policy.pdf).

### CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements for the financial year ending 31<sup>st</sup> March, 2025, have been prepared in accordance with applicable accounting standards as prescribed under the Companies Act, 2013 and the Companies (Accounts) Rules, 2014. These statements have been consolidated based on the financials received from the wholly-owned subsidiary, Sangam Ventures Limited (SVL), and approved by the Board of Directors.

### UNCLAIMED DIVIDEND AND SHARES

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013, along with the relevant provisions of the IEPF Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), the Company is mandated to transfer the amount of any unclaimed dividend to the Investor Education and Protection Fund (IEPF) after a period of seven years from the date of such dividend becoming due for payment. Furthermore, the IEPF Rules require the transfer of equity shares to the IEPF if the dividend on such shares remains unpaid or unclaimed for seven consecutive years.

During the year under review, the Company has transferred the Unclaimed Dividend amount of ₹ 5,11,878 and 14,183 Equity Shares to the IEPF. Shareholders whose unclaimed dividends or shares transferred to the IEPF may claim these, including any benefits arising from such shares, by following the procedure outlined under the applicable provisions of the Companies Act, 2013.

The details of the unclaimed dividends and shares transferred to the IEPF are available on the Company's website at the following link: <https://sangamgroup.com/investors-handbook/>.

### PUBLIC DEPOSITS

During the financial year under review, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014. There are no outstanding deposit as on 31<sup>st</sup> March, 2025.

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

Particulars of loans given, investments made, guarantees provided and securities furnished by the Company in accordance with Section 186 of the Companies Act, 2013 are included in the notes to the Standalone Financial Statements of the Company. These transactions have been conducted in compliance with the regulatory requirements.

### PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All related party transactions during the financial year were conducted on an arm's length basis and in the ordinary course of business. These transactions have been carried out in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no material related party transactions with Promoters, Directors, Key Managerial Personnel (KMP), or their relatives that may conflict with the interests of the Company at large.

The particulars of contracts and arrangements with related parties, as required under Section 188(1) of the Companies Act, 2013, are disclosed in Annexure II of this Board's Report, in the prescribed AOC-2 format.

Prior omnibus approval of the Audit Committee is sought on an annual basis for related party transactions of a repetitive nature, with specific approvals obtained for unforeseen transactions. A statement detailing all related party transactions is presented to the Audit Committee and the Board of Directors on a quarterly basis, specifying the nature, value, and terms and conditions of the transactions.

The policy governing Related Party Transactions as approved by the Board is available on the Company's website at: [https://sangamgroup.com/financials/Policies/RPT\\_Policy.pdf](https://sangamgroup.com/financials/Policies/RPT_Policy.pdf).

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors comprises of 8 members out of which 4 are Independent Directors, including one woman Independent Director.

As per Section 152(6) of the Companies Act, 2013, Mr. V.K. Sodani, Executive Director, is liable to retire by rotation and, being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

The following changes in the Directors and KMPs took place during the year under review:

- Mr. Yaduvendra Mathur ceased to be a Non-Executive Independent Director of the Company on 4<sup>th</sup> May, 2024,



## BOARD'S REPORT (CONTD.)

due to his sad demise. The Board places on record its heartfelt gratitude for his invaluable contributions to the growth of the Company and prays for the peace of his soul.

- Mr. Dinesh Chander Patwari, Mr. Upendra Prasad Singh, and Mrs. Irina Garg were appointed as Non-Executive Independent Directors of the Company with effect from 12<sup>th</sup> August, 2024, for a term of 3 years.
- Dr. Tapan Kumar Mukhopadhyay and Mr. Achintya Karati ceased to be Non-Executive Independent Directors of the Company on 23<sup>rd</sup> September, 2024, after completing two consecutive terms of 5 years each.
- Mrs. Aparna Sahay ceased to be a Non-Executive Independent Director of the Company on 26<sup>th</sup> October, 2024, as her tenure was completed.
- Mr. Arjun Agal was appointed as the Company Secretary of the Company on 31<sup>st</sup> July, 2024.

The Key Managerial Personnel ("KMP") of the Company as of the reporting date are:

- **Mr. R.P. Soni** – Chairman
- **Dr. S.N. Modani** – Vice Chairman
- **Mr. Anurag Soni** – Managing Director
- **Mr. V.K. Sodani** – Executive Director
- **Mr. S.R. Dakhera** – Chief Financial Officer
- **Mr. Arjun Agal** – Company Secretary

All the Independent Directors have provided declarations confirming that they meet the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also confirmed compliance with the Code of Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

The terms and conditions of the appointment of the Independent Directors are available on the Company's website.

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

The Nomination and Remuneration Policy of the Company governs the appointment of Directors and Senior Management personnel, as well as the fixation of their remuneration. The Nomination and Remuneration Committee, along with the Board, has reviewed and evaluate the performance of the Board, its committees,

and individual Directors and expressed satisfaction with their performance.

In a separate meeting, the Independent Directors also reviewed the performance of the non-independent directors, the Chairperson, and the Board as a whole. They discussed the quality, quantity, and timeliness of the information shared with the Board and expressed their satisfaction in this regard.

The Nomination and Remuneration Policy is available on the Company's website at the following link: [https://sangamgroup.com/financials/Policies/Remuneration\\_Policy.pdf](https://sangamgroup.com/financials/Policies/Remuneration_Policy.pdf).

### **BOARD OF DIRECTORS AND THEIR MEETINGS**

The Board of Directors of the Company comprises eminent individuals with proven credentials in their respective fields. They bring with them strong financial acumen, leadership capabilities, strategic insight, and a high degree of integrity. In addition to their wide-ranging experience, the Directors are committed to the long-term success of the Company and actively contribute to Board discussions, policy-making, and strategic planning.

### **BOARD MEETINGS**

During the financial year 2024–25, the Board met five (5) times on 10<sup>th</sup> May, 2024, 31<sup>st</sup> July, 2024, 12<sup>th</sup> August, 2024, 25<sup>th</sup> October, 2024 and 12<sup>th</sup> February, 2025. The intervening gap between the meetings was well within the limits prescribed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and Secretarial Standards-1 issued by the Institute of Company Secretaries of India (ICSI).

The Board regularly reviews and monitors the Company's performance, financials, strategy, risks, governance practices, and regulatory compliance.

The details of attendance of Directors at Board meetings, the composition of various Committees, and other disclosures are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

### **BOARD DIVERSITY AND COMPETENCY MAPPING**

The Company recognises and values the importance of a diverse Board in enhancing governance quality and effectiveness. The Board's composition reflects a balance of industry knowledge, functional expertise, and gender diversity.

The core skills, expertise, and competencies identified and mapped to each individual Director are outlined in the Corporate Governance Report.

## BOARD'S REPORT (CONTD.)

### SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Directors have devised proper systems and processes to ensure effective compliance, and these systems have been found to be adequate and operating effectively.

### AUDIT COMMITTEE

The Company's Audit Committee is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

All members of the Audit Committee are financially literate, and the Committee is chaired by Mr. Dinesh Chander Patwari, an Independent Director with rich experience and financial expertise. The Committee plays a critical role in the oversight of the Company's financial reporting process, internal controls, audit function, and statutory compliances.

The detailed terms of reference, composition, meetings held, and attendance of members are disclosed in the Corporate Governance Report, forming part of this Annual Report.

### MATERIAL CHANGES AND COMMITMENTS

Pursuant to Section 134(3)(l) of the Companies Act, 2013, the Board confirms that there have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the Company has regularly organised Familiarization Programme for Independent Directors. The programme aims to provide insight into the nature of the industry, the Company's business model, strategic direction, governance practices, and their roles and responsibilities.

The details of the Familiarization Programme are available on the Company's website at: <https://sangamgroup.com/investors-handbook/>.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has always believed in inclusive and sustainable growth. In accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a CSR Committee and formulated a CSR Policy.

### CSR ACTIVITIES AND EXPENDITURE

During the year under review, the Company has undertaken a wide array of CSR initiatives focused on health, education, community development, and environmental sustainability. A total expenditure of ₹ 499.43 Lakhs was incurred on CSR activities in FY 2024–25.

The detailed annual report on CSR activities in the prescribed format is annexed as Annexure – III to this Report.

### RISK MANAGEMENT POLICY

The Company has formulated a comprehensive Risk Management Policy in line with the provisions of the Companies Act, 2013 and the Listing Regulations. The policy outlines the Company's approach to identifying, assessing, and managing key risks that may impact its objectives.

A Risk Management Committee has been constituted by the Board, which regularly reviews the risk framework and suggests appropriate mitigation measures. The key risks and their mitigation strategies are reviewed periodically to ensure resilience and continuity of business operations.

### INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place an effective system of Internal Financial Controls. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in compliance with applicable laws.

The internal audit function, conducted by an independent firm, operates under the supervision of the Audit Committee. Reports from the internal auditors are reviewed periodically, and corrective actions are taken where necessary.

The statutory auditors, M/s. R. Kabra & Co. LLP and M/s. O.P. Dad & Co., have confirmed in their audit report that the Company has adequate internal financial controls with reference to financial statements and that such controls were operating effectively during the year.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated the Whistle Blower Policy / Vigil Mechanism in pursuance of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015. 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.

## BOARD'S REPORT (CONTD.)

This mechanism encourages directors and employees to report genuine concerns or unethical practices within the organisation in a confidential manner.

The policy is available on the Company's website at: [https://sangamgroup.com/financials/Policies/Whistle\\_Blower\\_Policy.pdf](https://sangamgroup.com/financials/Policies/Whistle_Blower_Policy.pdf)

During the year under review, no complaints were received under the Vigil Mechanism. The Audit Committee reviews the functioning of the mechanism at regular intervals.

### CORPORATE GOVERNANCE REPORT

Your Company is firmly committed to upholding the highest standards of Corporate Governance, ensuring transparency, integrity, accountability, and ethical conduct in all its operations and interactions with stakeholders. The Company has consistently aligned its governance framework and practices with the best-in-class standards and has fully complied with the requirements laid down in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The governance structure of the Company is designed to support the effective management of business while protecting and enhancing shareholder value. The Board of Directors exercises its fiduciary responsibilities with active oversight of the Company's business and strategic direction through well-established Board Committees including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Risk Management Committee.

A Corporate Governance Report, together with a certificate from a Practicing Company Secretary, confirming compliance with the provisions of the SEBI Listing Regulations, forms an integral part of this Annual Report.

### CODE OF CONDUCT

The Company has comprehensive Code of Conduct applicable to the Board of Directors and the Senior Management Personnel in accordance with Regulation 17(5) of the SEBI Listing Regulations.

The Code is intended to provide guidance on the conduct of business and ethical behavior expected from the Directors and Senior Management. It covers compliance with laws, integrity in financial reporting, fair dealing, equal opportunity employment, and protection of Company assets and information.

All members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the

financial year ended 31<sup>st</sup> March, 2025. A declaration to this effect, duly signed by the Managing Director, is included in this Report.

### AUDITORS AND AUDITORS' REPORT

#### A. STATUTORY AUDITORS

In accordance with Sections 139 and 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendations of the Audit Committee and approval of the shareholders at the 36<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2022:

- M/s. R. Kabra & Co. LLP, Chartered Accountants (Firm Registration No. 104502W/W100721), appointed as Statutory Auditors for first term of five years, and
- M/s. O.P. Dad & Co., Chartered Accountants (Firm Registration No. 002330C), were appointed for second term of five years, to hold office until the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2027.

The Statutory Auditors' Reports on the standalone and consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2025, do not contain any qualifications, reservations, adverse remarks, or disclaimers. The relevant Notes to Accounts forming part of the financial statements are self-explanatory and provide further clarity on the financial matters referred to in the Auditors' Reports. Accordingly, no further explanation is required under Section 134(3)(f) of the Companies Act, 2013.

#### B. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and conduct a cost audit for the applicable products as prescribed by the Central Government.

In compliance with these provisions and based on the recommendation of the Audit Committee, the Board of Directors has appointed M/s. K.G. Goyal & Company, Cost Accountants, Jaipur (Firm Registration No. 000017), as the Cost Auditors of the Company for the financial year 2024-25.

Further, the Board of Directors on recommendation of Audit Committee, at their meeting held on 29<sup>th</sup> May, 2025 has approved the appointment of M/s. K.G. Goyal & Company, Cost Accountants, Jaipur (Firm



## BOARD'S REPORT (CONTD.)

Registration No. 000017), as the Cost Auditors of the Company for the financial year 2025-26. A resolution seeking approval of the Shareholders for ratifying the remuneration payable to the Cost Auditors for financial year 2025-26 is provided in the Notice of the ensuing Annual General Meeting.

The Company has maintained all necessary cost records as specified under the Act and the Rules made thereunder. The Cost Auditor shall submit their report to the Board within the prescribed timelines.

### C. SECRETARIAL AUDITORS

In accordance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. B K Sharma and Associates, Company Secretaries (Membership No. 6206), as the Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2024-25.

The Secretarial Audit Report issued by the Secretarial Auditor for the year ended 31<sup>st</sup> March, 2025 is annexed to this Report as Annexure IV. The report confirms that the Company has complied with all applicable laws, rules, and regulations and does not contain any qualification, reservation, adverse remark, or disclaimer. The observations made in the Report are self-explanatory and do not require any further explanation.

Further, the Board of Directors on recommendation of Audit Committee, at their meeting held on 29<sup>th</sup> May, 2025 has approved the appointment of M/s. B K Sharma and Associates, Company Secretaries, as the Secretarial Auditors of the Company for a period of five consecutive financial years commencing from the Financial Year 2025-26 to Financial Year 2029-30, subject to the approval of shareholders at the ensuing Annual General Meeting.

#### Annual Secretarial Compliance Report

As mandated under Regulation 24A of the SEBI Listing Regulations, the Company shall obtain an Annual Secretarial Compliance Report from M/s. B K Sharma and Associates, Company Secretaries, for the financial year 2024-25.

This report will certify compliance with all applicable SEBI Regulations and circulars/guidelines issued thereunder and has been filed with the Stock Exchanges and also made available on the website

of the Company at [https://sangamgroup.com/wp-content/uploads/2025/06/SCR\\_2025.pdf](https://sangamgroup.com/wp-content/uploads/2025/06/SCR_2025.pdf).

### REPORTING OF FRAUDS BY AUDITORS

In accordance with the provisions of Section 143(12) of the Companies Act, 2013, it is hereby confirmed that during the financial year under review, no instance of fraud has been reported by the Statutory Auditors, Internal Auditors, Cost Auditors or Secretarial Auditors of the Company to the Audit Committee or the Board of Directors.

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

The Company maintains a strong commitment towards providing a safe, respectful, and inclusive work environment, particularly for women employees. In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a formal Prevention of Sexual Harassment (POSH) Policy, which is gender-neutral in nature.

An Internal Complaints Committee (ICC) has been duly constituted in accordance with the statutory provisions to address complaints, if any, related to sexual harassment at the workplace. The Committee operates with complete autonomy and is responsible for investigating and redressing grievances, ensuring due process.

During the financial year ended 31<sup>st</sup> March, 2025, the Company did not receive any complaint pertaining to sexual harassment.

### PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES

In compliance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the requisite details is annexed to this Report as Annexure-V.

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

As required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relevant details relating to the conservation of energy, technology absorption, and foreign exchange earnings and outgo are furnished in Annexure-VI, forming part of this Board's Report.

## BOARD'S REPORT (CONTD.)

The Company continuously strives to minimise its environmental footprint by implementing energy-efficient technologies, waste management practices, and sustainable production methods, thereby reinforcing its commitment to environmental stewardship and resource optimisation.

### INVESTOR RELATIONS

Your Company places high importance on maintaining transparent and continuous engagement with its investors. During the year under review, the Company actively interacted with both domestic and global investors through:

- One-on-one meetings
- Group conference calls
- Post-results earnings calls
- Investor presentations and reports

These interactions were aimed at providing accurate and timely disclosures about the Company's performance, strategy, and outlook. The transcripts and recordings of these sessions are made available on the Company's website under the "Press Release" section at: <https://sangamgroup.com/investors-handbook/>.

### PREVENTION OF INSIDER TRADING

The Board has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations") and concerned persons, while in possession of UPSI and during the Closure of trading windows.

The Code is designed to:

- Preserve confidentiality of unpublished price-sensitive information (UPSI),
- Prevent misuse of such information,
- Regulate trading in the Company's securities by designated persons and their immediate relatives and concerned persons, while in possession of UPSI and during the Closure of trading windows.

The Code of Conduct is published on the Company's website at: [https://sangamgroup.com/financials/Policies/Code\\_Conduct\\_regulate\\_report\\_Designated\\_Persons.pdf](https://sangamgroup.com/financials/Policies/Code_Conduct_regulate_report_Designated_Persons.pdf).

Code of Practices and Procedures for Fair Disclosure of UPSI, including a policy for determination of 'legitimate purposes', has also been adopted by the Board of Directors and is available at: [https://sangamgroup.com/financials/Policies/Code\\_UPSI\\_Disclosure.pdf](https://sangamgroup.com/financials/Policies/Code_UPSI_Disclosure.pdf).

### GENERAL DISCLOSURES

Your Directors further confirm that during the financial year ended 31<sup>st</sup> March, 2025, there were no transactions or events requiring disclosure or reporting under the following headings:

- a) Issue of equity shares with differential rights as to dividend, voting, or otherwise;
- b) Significant and material orders passed by Regulators, Courts, or Tribunals which may impact the going concern status of the Company or its future operations;
- c) Applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 (IBC), and the status of such applications 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 Companies Act, 2013, the Board of Directors hereby confirms and states that:

1. In the preparation of the annual financial statements the Company has followed the applicable accounting standards along with providing necessary explanations and disclosures relating to any material departures, if any;
2. They have selected and applied accounting policies consistently and made judgments and estimates that are prudent and reasonable so as to give a true and fair view of the Company's state of affairs as on 31<sup>st</sup> March, 2025 and of the profit for the financial year ended on that date;
3. They have taken proper and sufficient care to ensure the maintenance of adequate accounting records as required under the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The annual accounts have been prepared on a going concern basis, reflecting the Company's continued operational viability and future prospects;
5. They have laid down internal financial controls to be followed by the Company and such controls are adequate and have been operating effectively during the year; and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

## BOARD'S REPORT (CONTD.)

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year ended 31<sup>st</sup> March, 2025, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this Annual Report and is presented separately to provide insights into the Company's business performance, industry outlook, risks, opportunities, and future strategies.

### LISTING OF SHARES

The equity shares of the Company continue to be listed on the following Stock Exchanges:

- BSE Limited (BSE)
- National Stock Exchange of India Limited (NSE)

The listing fees for the financial year 2025-26 have been duly paid to these Exchanges within the prescribed time.

### DIVIDEND DISTRIBUTION POLICY

In compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy aimed at ensuring transparency, sustainability, and fairness in dividend declarations.

The Dividend Distribution Policy is available on the Company's website and can be accessed at: <https://sangamgroup.com/financials/Policies/distrubution.pdf>.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared and presented the Business Responsibility and Sustainability Report (BRSR) for the financial year 2024-25.

The BRSR highlights the Company's performance on various environmental, social, and governance (ESG) parameters and reflects its commitment to sustainable and responsible business practices. The report forms part of this Annual Report.

### ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year 2024-25, in the prescribed format, is available for inspection and can be accessed on the Company's website at: <https://sangamgroup.com/investors-handbook/>.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the continued support, assistance, and cooperation extended by the Company's customers, vendors, financial institutions, banks, government authorities, and all other stakeholders during the year under review.

The Directors also acknowledge and appreciate the dedicated efforts and commitment of the Company's employees at all levels, whose hard work and perseverance have been instrumental in the Company's sustained growth and performance.

**For and on behalf of the Board of Directors**

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

**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 <sup>st</sup> March, 2025 |
| 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                        |
| 5.      | Reserve & Surplus   | 3,060.70                     |
| 6.      | Total assets  | 12,189.90                    |
| 7.      | Total Liabilities   | 7,932.20                     |
| 8.      | Investments   | -                            |
| 9.      | Turnover  | 7,243.62                     |
| 10.     | Profit before taxation  | 540.81                       |
| 11.     | Provision for taxation  | -                            |
| 12.     | Profit after taxation   | 434.49                       |
| 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

### PART "B" : JOINT VENTURES AND ASSOCIATES

The company does not have any Joint Venture and Associate company.

For and on behalf of the Board

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

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

## 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: 29<sup>th</sup> May, 2025

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

# ANNEXURE - III

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2024-25

### 1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

The CSR initiatives undertaken by your Company upholds the principles of a responsible corporate citizen. The company intends to actively contribute to the social and economic development of the communities in which it operates 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 programme 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       | Mr. R.P. Soni    | Chairman of the Committee (Whole-time Director) | 1  | 1  |
| 2       | Dr. S.N. Modani  | Member of the Committee (Vice Chairman)         | 1  | 1  |
| 3       | Mrs. Irina Garg  | Member of the Committee (Independent Director)  | 1  | 1  |

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: <https://sangamgroup.com/investors-handbook/>.

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. AVERAGE NET PROFIT

- The Average Net Profit of the Company as per sub-section (5) of section 135:- 13,134.56 Lakhs
- Two percent of average net profit of the Company as per section 135(5):- 262.69 Lakhs
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - 121.51 Lakhs
- Total CSR obligation for the financial year (5b-5c):- 141.18 Lakhs

### 6. (a) Amount spent on CSR Projects

Ongoing Project : N.A.

Other than Ongoing Project : 499.43 Lakhs

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: N.A.

(d) Total amount spent for the financial year(6a+6b+6c): 499.43 Lakhs

(e) CSR amount 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 |
| 499.43   | NA  | NA               | NA  | NA     | NA               |

(f) Excess amount for set-off, if any:





## ANNEXURE - III (CONTD.)

| Sl. No. | Particulars  | Amount<br>(₹ In Lakhs) |
|---------|--|------------------------|
| i)      | Two percent of average net profit of the Company as per sub-section (5) of Section 135                   | 262.69                 |
| ii)     | Total amount spent for the Financial Year  | 499.43                 |
| iii)    | Surplus arising out of the CSR projects or programs or activities of the previous financial years If any | 121.51                 |
| iv)     | Excess amount spent for the Financial Year [(iii+ii)-(i)]  | 358.25                 |
| v)      | Amount available for set off in succeeding financial years   | 358.25                 |

## 7. (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----- |                          |   |  |   |        |                  |  |

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year - Not Applicable

If Yes, enter the number of Capital assets created/ acquired

☐ Yes
☒ No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social responsibility amount spent in the Financial Year

| Sl. No.                  | Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year | Pincodes of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner |
|--------------------------|---|--------------------------------------|------------------|----------------------------|---|
| -----Not applicable----- |   |                                      |                  |                            |   |

## 9. 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

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

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

(R.P. Soni)  
(DIN 00401439)  
Chairman of CSR Committee

(Dr. S.N. Modani)  
(DIN: 00401498)  
Director

# ANNEXURE - IV

## SECRETARIAL AUDIT REPORT

For the financial year ended on 31<sup>st</sup> March, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 31<sup>st</sup> March, 2025 ("period under review"). 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 Regulations & 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) 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 & National Stock Exchange of India Limited and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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.

## ANNEXURE - IV (CONTD.)

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.

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

**BRIJ KISHORE SHARMA**  
Proprietor  
Membership No. : F6206 CP No.: 12636  
Peer Review Certificate No.: 6711/2025  
UDIN: F006206G000488083

Place: Jaipur  
Date: 29<sup>th</sup> May, 2025





**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

**BRIJ KISHORE SHARMA**

Proprietor

Membership No. : F6206 CP No.: 12636

Peer Review Certificate No.: 6711/2025

UDIN: F006206G000488083

Place: Jaipur

Date: 29<sup>th</sup> May, 2025

# ANNEXURE - V

## STATEMENT OF PARTICULARS OF EMPLOYEES

### PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2016

(i) The percentage increase in remuneration of each Director, Key Managerial Personnel (KMP) during the financial year 2024-2025, ratio of the remuneration of each Director to the median remuneration of the employees of The Company for the financial year 2024-2025.

The Median Salary of the employee for the Financial Year 2024-25 - ₹ 1.49 Lakhs

| Sr. No. | Name of Director | Designation                      | Percentage increase/decrease in remuneration | Ratio of remuneration of Director to median remuneration of employees |
|---------|------------------|----------------------------------|--|---|
| 1       | Mr. R. P. Soni   | Executive Director/Chairman      | (9.77 %)                                     | 233.69  |
| 2       | Dr. S. N. Modani | Executive Director/Vice Chairman | 15.67 %                                      | 144.64  |
| 3       | Mr. V. K. Sodani | Executive Director               | 38.10 %                                      | 98.43   |
| 4       | Mr. Anurag Soni  | Managing Director                | 1.02 %                                       | 60.27   |
| 5       | Mr. S.R. Dakhera | Chief Financial Officer          | 18.62 %                                      | 26.71   |
| 6       | Mr. Arjun Agal   | Company Secretary *              | -  | 10.04   |

\* Mr. Arjun Agal was appointed as Company Secretary of The Company on dated 31<sup>st</sup> July, 2024.

- (ii) The percentage increase in the median remuneration of employees in the financial year % age increase in the Median remuneration of employees in the Financial Year 2024-25 - 1.22%
- (iii) Average percentile increases 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:  
Salary/Wages of employee other than managerial personnel has marginally increased  
The remuneration to employees and managerial personnel is commensurate with Industry standards.
- (iv) No employee has received remuneration in excess of highest paid Director of The Company during the financial year 2024-25.
- (v) It is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### A. The name of the top ten Employees in terms of remuneration drawn.

| Sr. No. | Name of Employee | Designation                      | Remuneration (₹ In Lakhs) | Qualification  | Experience (Years) | Commencement of Employment      | No. of shares held | Whether Permanent / Contractual | Age (Years) | Particulars of Last Employment                   |
|---------|------------------|----------------------------------|---------------------------|--|--------------------|---------------------------------|--------------------|---------------------------------|-------------|--|
| 1.      | Mr. R.P. Soni    | Executive Director/Chairman      | 349.48                    | B.Sc., Diploma in Civil Engineering                                    | 41                 | 31 <sup>st</sup> December, 1984 | 21,53,950          | Contractual                     | 79          | Junior Engineer in Irrigation Department in 1964 |
| 2.      | Dr. S.N. Modani  | Executive Director/Vice Chairman | 200.64                    | M. Sc. (Chemistry), M.B.A., Post-Graduate Diploma in Cement Technology | 36                 | 20 <sup>th</sup> June, 1989     | 6,24,779           | Contractual                     | 61          | Manglam Cement Ltd.                              |
| 3.      | Mr. V.K. Sodani  | Executive Director               | 126.79                    | B.Com., F.C.A.   | 27                 | 21 <sup>st</sup> December, 2006 | 6,25,000           | Contractual                     | 54          | -  |

**ANNEXURE - V (CONTD.)**

| Sr. No. | Name of Employee         | Designation                 | Remuneration (₹ In Lakhs) | Qualification   | Experience (Years) | Commencement of Employment     | No. of shares held | Whether Permanent / Contractual | Age (Years) | Particulars of Last Employment |
|---------|--------------------------|-----------------------------|---------------------------|---|--------------------|--------------------------------|--------------------|---------------------------------|-------------|--------------------------------|
| 4.      | Mr. Anurag Soni          | Managing Director           | 89.54                     | Commerce Graduate and MS Finance  | 13                 | 1 <sup>st</sup> April, 2012    | 44,38,665          | Contractual                     | 36          | -                              |
| 5.      | Mr. Anil Sharma          | PRESIDENT                   | 73.70                     | B. Tech. (Textile)  | 31                 | 1 <sup>st</sup> November, 2021 | -                  | Permanent                       | 61          | Rolex Processors               |
| 6.      | Mr. Pranal Modani        | CEO (Yarn & Denim Business) | 65.34                     | B. Sc., Industrial Engineering from Georgia Tech, USA, and Master's in Management from London Business School, UK | 11                 | 1 <sup>st</sup> November, 2014 | 5,00,000           | Permanent                       | 33          | -                              |
| 7.      | Mr. Mahendra Kumar Rathi | VICE PRESIDENT              | 47.70                     | B. Com.   | 46                 | 5 <sup>th</sup> April, 2023    | -                  | Permanent                       | 64          | Manjeet Cotton Pvt. Ltd.       |
| 8.      | Mr. Pawan Kumar Rawat    | JOINT PRESIDENT             | 46.20                     | Diploma in Textile  | 26                 | 13 <sup>th</sup> July, 2024    | -                  | Permanent                       | 59          | RTM Ltd.                       |
| 9.      | Mr. Gaurav Choudhary     | VICE PRESIDENT              | 44.16                     | MBA   | 24                 | 1 <sup>st</sup> August, 2014   | -                  | Permanent                       | 46          | Magna Publishing Co. Ltd.      |
| 10.     | Mr. Rohit Bohra          | VICE PRESIDENT              | 43.84                     | Master in International Business  | 21                 | 2 <sup>nd</sup> February, 2013 | -                  | Permanent                       | 43          | Birla Cotsyn (India) Ltd.      |

**B. Persons employed throughout the Financial Year & paid Rupees One Crore Two Lakh p.a. or more**

| Sr. No. | Name of Employee | Designation                       | Remuneration (₹ In Lakhs) | Qualification  | Experience (Years) | Commencement of Employment      | No. of shares held | Whether Permanent / Contractual | Age (Years) | Particulars of Last Employment                   |
|---------|------------------|-----------------------------------|---------------------------|--|--------------------|---------------------------------|--------------------|---------------------------------|-------------|--|
| 1.      | Mr. R.P. Soni    | Executive Director/ Chairman      | 349.48                    | B.Sc., Diploma in Civil Engineering                                    | 41                 | 31 <sup>st</sup> December, 1984 | 21,53,950          | Contractual                     | 79          | Junior Engineer in Irrigation Department in 1964 |
| 2.      | Dr. S.N. Modani  | Executive Director/ Vice Chairman | 200.64                    | M. Sc. (Chemistry), M.B.A., Post-Graduate Diploma in Cement Technology | 36                 | 20 <sup>th</sup> June, 1989     | 6,24,779           | Contractual                     | 61          | Manglam Cement Ltd.                              |
| 3.      | Mr. V.K. Sodani  | Executive Director                | 126.79                    | B. Com., F.C.A.  | 27                 | 21 <sup>st</sup> December, 2006 | 6,25,000           | Contractual                     | 54          | -  |

Note:

- None of the employees of The Company are covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as none of the employee is in receipt of remuneration in excess of remuneration drawn by Managing Director & Whole Time Directors and holding whether by himself or along with his spouse and dependent children, equal to or more than 2% of the paid-up capital of The Company.
- None of the person was employed for part of the year and was in receipt of remuneration aggregating to ₹ 8.50 Lakhs or more per month.
- Mr. R. P. Soni, Dr. S. N. Modani, Mr. V. K. Sodani, Mr. Anurag Soni and Mr. Pranal Modani are related to each other. Dr. S.N. Modani and Mr. V. K. Sodani are the Sons-in-Law of Mr. R. P. Soni, Mr. Anurag Soni is Son of Mr. R.P. Soni and Mr. Pranal Modani is Son of Dr. S.N. Modani.

# ANNEXURE - VI

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

### A. CONSERVATION OF ENERGY

The Company continues to emphasize energy conservation through operational improvements and technology adoption. Multiple initiatives were undertaken during the financial year 2024–25 across various units to enhance energy efficiency, reduce power and fuel costs, and support the Company's long-term sustainability goals.

#### (i) Steps Taken for Conservation of Energy

##### Spinning Division:

- Replaced conventional 40W tube lights with energy-efficient 20W LED tube lights (1600 lumens), resulting in significant power savings.
- Replaced 1,500 Fluorescent Tube Lights (FTLs) with LED lights.
- Optimized suction fan motor speed in 5 Auto Coner machines, improving energy performance and reducing electricity consumption.

##### Process & Weaving Division:

- Installed **Closed Water Recirculation (CWR)** system to replace open hood jiggers, leading to energy and water conservation.
- Substituted coal with 7,868 tonnes of agri-husk (GCV: 2850 kcal/kg) in Thermopack systems, reducing dependency on fossil fuels and lowering thermal energy costs.

##### Denim Division:

- Installed Variable Frequency Drive (VFD) in the H-Plant to regulate motor speeds based on real-time load, enhancing efficiency and reducing electrical consumption.

#### (ii) Impact of Measures Taken

- Reduction in lighting and thermal energy consumption.
- Significant cost savings in power and fuel bills.
- Enhanced energy efficiency and operational optimization.
- Contribution to carbon footprint reduction and improved sustainability.

#### (iii) Future Plan of Action

The Company is actively working on expanding its energy efficiency and sustainability strategy, with a key focus on green energy integration and advanced monitoring technologies:

- **Green Energy Transition:** Company's strategic plan to shift toward renewable energy to meet a major share of its power demand.
- **Targeted Renewable Energy Coverage:** The Company's aims to fulfill maximum electricity requirement through clean energy, significantly reducing dependence on conventional power sources and minimizing environmental impact.
- **Infrastructure Readiness and Integration:** The Company is evaluating infrastructure upgrades and connectivity arrangements to integrate renewable sources into its operational energy mix seamlessly.
- **Smart Energy Management:** Plans are underway for the deployment of real-time energy monitoring systems to optimize usage, improve load management, and support data-driven energy planning.
- **Continued Process Enhancements:**
  - o Further installation of VFDs across high-load equipment.
  - o Exploration of waste heat recovery and water reuse systems to maximize resource efficiency.

These future-focused actions reflect the Company's broader commitment to Environmental, Social, and Governance (ESG) objectives and reinforce its position as a responsible, forward-looking manufacturing organization.

### B. TECHNOLOGY ABSORPTION

#### (i) Efforts Made Towards Technology Absorption

The Company has actively adopted modern technologies to increase process efficiency, reduce energy costs, and advance sustainability. Key initiatives during FY 2024–25 include:

- LED Lighting Upgrades in Spinning Units for significant power savings.
- Motor Speed Optimization in Auto Coner machines, reducing energy demand.



## ANNEXURE - VI (CONTD.)

- Closed Water Recirculation (CWR) Systems in place of open hood jiggers, conserving water and reducing thermal losses.
- Biomass-Based Thermopack System implemented to utilize 7,868 tonnes of agricultural husk in place of coal.
- Variable Frequency Drive (VFD) installation in Denim Plant's H-Plant for improved energy management.

### (ii) Benefits Derived

- Energy cost reduction and efficiency improvement.
- Decreased emissions and improved environmental performance.
- Enhanced automation and reduced operational wastage.
- Alignment with national and global clean energy and climate goals.

### (iii) Imported Technology during the Financial Year

- Technology Imported: ₹ 69.31 Crore
- Year of Import: 2024-25

### (iv) Expenditure on Research and Development (R&D)

- Capital Expenditure: ₹ 6.20 Crore
- Recurring Expenditure: ₹ 8.74 Crore
- Total R&D Expenditure: ₹ 14.94 Crore

### FOREIGN EXCHANGE EARNING AND OUTGO

| (₹ in Crore)                   |                              |                              |
|--------------------------------|------------------------------|------------------------------|
| Particulars                    | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| a) Total Foreign Exchange used | 251                          | 129.05                       |
| b) Earning in Foreign Exchange | 1,045                        | 855.91                       |

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

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

Date: 29<sup>th</sup> May, 2025  
Place: Bhilwara

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CODE OF CORPORATE 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 31<sup>st</sup> March, 2025, the Company has Eight Directors. Out of which, four are Promoters and Executive Directors and four Non-Executive Independent 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 & Category of Directors

Composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2025 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 Indian Public Company |                           |                         | List of Directorship held in Other Listed Companies and Category of Directorship |
|--|--------------------------------|---|---------------------------|-------------------------|--|
|  |                                | Other Directorships   | Chairman of the Committee | Member of the Committee |  |
| Mr. R.P. Soni<br>Chairman<br>(DIN: 00401439)             | Promoter<br>Executive          | Three   | Nil                       | Nil                     | Nil  |
| Dr. S.N. Modani<br>Vice-Chairman<br>(DIN: 00401498)      | Promoter<br>Executive          | Nil   | Nil                       | Nil                     | Nil  |
| Mr. Anurag Soni<br>Managing Director<br>(DIN: 03407094)  | Promoter<br>Executive          | Four  | Nil                       | Nil                     | Sangam Finserv Limited<br>(Non-Executive Director)                               |
| Mr. V.K. Sodani<br>Executive Director<br>(DIN: 00403740) | Promoter<br>Executive          | Two   | Nil                       | Two                     | Sangam Finserv Limited<br>(Non-Executive Director)                               |
| Mr. Dinesh Chander<br>Patwari<br>(DIN: 10060352)         | Non – Executive<br>Independent | Two   | One                       | Two                     | Jana Small Finance Bank<br>Limited (Non-Executive<br>Independent Director)       |
| Mr. Upendra Prasad<br>Singh<br>(DIN: 00354985)           | Non – Executive<br>Independent | Three   | One                       | Two                     | Sarda Energy & Minerals<br>Limited (Non-Executive<br>Independent Director)       |

## CORPORATE GOVERNANCE REPORT (CONTD.)

| Name                                  | Category of Director        | No. of other Directorship and Committee Chairmanship and Memberships in other Indian Public Company |                           |                         | List of Directorship held in Other Listed Companies and Category of Directorship |
|---------------------------------------|-----------------------------|---|---------------------------|-------------------------|--|
|                                       |                             | Other Directorships   | Chairman of the Committee | Member of the Committee |  |
| Mrs. Irina Garg (DIN: 10732703)       | Non – Executive Independent | One   | Nil                       | Nil                     | Nil  |
| Mr. Sudhir Maheshwari (DIN: 02376365) | Non – Executive Independent | Two   | Nil                       | Nil                     | Nil  |

### Notes:

- Other Company directorship excluding foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
- Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the ("The Listing Regulations").
- Mr. Anurag Soni, Dr. S. N. Modani, Mr. V. K. Sodani and Mr. R. P. Soni are related to each other. Dr. S.N. Modani and Mr. V. K. Sodani are the Sons-in-Law of Mr. R. P. Soni and Mr. Anurag Soni is Son of Mr. R.P. Soni. No other Director is related to any other Director on the Board.
- 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.
- Mr. V. K. Sodani, Directors is liable to retire by rotation.
- Mr. Dinesh Chander Patwari, Mr. Upendra Prasad Singh and Mrs. Irina Garg have been appointed as Director in category of Non-Executive Independent Director of the Company w.e.f. 12<sup>th</sup> August, 2024 to hold office for a term of 3 years.

### Number of Board Meetings & Attendance

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.

Five meetings of the Board were held during the financial year 2024-2025 on 10<sup>th</sup> May, 2024, 31<sup>st</sup> July, 2024, 12<sup>th</sup> August, 2024, 25<sup>th</sup> October, 2024 and on 12<sup>th</sup> February, 2025. The last Annual General Meeting was held on 23<sup>rd</sup> September, 2024.

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       | Mr. R. P. Soni             | Five                           | Yes                       |
| 2       | Dr. S. N. Modani           | Four                           | Yes                       |
| 3       | Mr. Anurag Soni            | Five                           | Yes                       |
| 4       | Mr. V. K. Sodani           | Five                           | Yes                       |
| 5       | Mr. Achintya Karati        | Two                            | Yes                       |
| 6       | Dr. T.K. Mukhopadhyay      | Two                            | Yes                       |
| 7       | Mrs. Aparna Sahay          | Four                           | Yes                       |
| 8       | Mr. Yaduvendra Mathur      | -                              | -                         |
| 9       | Mr. Sudhir Maheshwari      | Five                           | No                        |
| 10      | Mr. Dinesh Chander Patwari | Two                            | Yes                       |
| 11      | Mr. Upendra Prasad Singh   | Three                          | No                        |
| 12      | Mrs. Irina Garg            | Two                            | Yes                       |

### Note:

- Mr. Yaduvendra Mathur ceased to be Non-Executive Independent Director of the Company effective 4<sup>th</sup> May, 2024, due to his sad demise so details regarding attendance of Board Meeting & AGM are not provided here.

## CORPORATE GOVERNANCE REPORT (CONTD.)

- Mr. Dinesh Chander Patwari, Mr. Upendra Prasad Singh and Mrs. Irina Garg have been appointed as Directors in category of Non-Executive Independent Directors of the Company w.e.f. 12<sup>th</sup> August, 2024 to hold office for a term of 3 years.
- Dr. Tapan Kumar Mukhopadhyay and Mr. Achintya Karati ceased to be Directors in category of Non-Executive Independent Director of the Company as they have completed two consecutive tenure of 5 years each at the 38<sup>th</sup> AGM held on 23<sup>rd</sup> September, 2024.
- Mrs. Aparna Sahay ceased to be a Director in category of Non-Executive Independent Director w.e.f. 26<sup>th</sup> October, 2024 as her tenure was completed.

### Meeting of Independent Directors

During the financial year 2024-2025, the Independent Directors met on 10<sup>th</sup> May, 2024. 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 at the weblink: <https://sangamgroup.com/financials/Policies/Conditions.pdf>.

The table summarises 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     | Specialised Skills             | Specialised 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.                       |

### 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 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 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.



## CORPORATE GOVERNANCE REPORT (CONTD.)

Expertise/Skill of individual directors are highlighted below:

| Name of Director           | Area of Expertise |           |                               |                    |                                |                 |
|----------------------------|-------------------|-----------|-------------------------------|--------------------|--------------------------------|-----------------|
|                            | Business          | Financial | Board Services and Governance | Specialised Skills | Leadership and sound Judgement | Other diversity |
| Mr. R.P. Soni              | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Dr. S.N. Modani            | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Mr. V.K. Sodani            | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Mr. Anurag Soni            | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Mr. Sudhir Maheshwari      | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Mr. Dinesh Chander Patwari | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Mr. Upendra Prasad Singh   | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |
| Mrs. Irina Garg            | ✓                 | ✓         | ✓                             | ✓                  | ✓                              | ✓               |

### Familiarization Programme 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 programme 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 to the Independent Directors on their roles, rights and 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 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\\_Conduct\\_Directors\\_SM\\_Executives.pdf](https://sangamgroup.com/financials/Policies/Code_Conduct_Directors_SM_Executives.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 31<sup>st</sup> March, 2025. 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 the Directors, Employees, Designated Persons, their relatives and other Connected Persons of the Company. This Code is available on the website of the Company's at the weblink: [https://sangamgroup.com/financials/Policies/Code\\_Conduct\\_Directors\\_SM\\_Executives.pdf](https://sangamgroup.com/financials/Policies/Code_Conduct_Directors_SM_Executives.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, 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 brings 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 Mr. Dinesh Chander Patwari, Non-Executive Independent Director. Invitees to the Audit Committee include Managing Director, Chief Financial Officer & Auditors of the Company. The Company Secretary acts as the Secretary to the Audit Committee.

#### Meeting

Five meetings of the Audit Committee were held during the financial year 2024-2025 on 10<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 25<sup>th</sup> October, 2024, 12<sup>th</sup> February, 2025 and on 19<sup>th</sup> March, 2025.

#### Composition and Attendance

The Composition and Attendance of the Audit Committee held during the year under review are given below:

| Name of Director        | Category                           | No. of Meetings |          |
|-------------------------|------------------------------------|-----------------|----------|
|                         |                                    | Held            | Attended |
| Mr. Achintya Karati*    | Non-Executive Independent Director | Two             | Two      |
| Dr. T. K. Mukhopadhyay* | Non-Executive Independent Director | Two             | Two      |
| Mr. Yaduvendra Mathur*  | Non-Executive Independent Director | -               | -        |

| Name of Director           | Category                              | No. of Meetings |          |
|----------------------------|---------------------------------------|-----------------|----------|
|                            |                                       | Held            | Attended |
| Mr. R. P. Soni*            | Executive Director/ Chairman          | Two             | Two      |
| Mr. Dinesh Chander Patwari | Non-Executive Independent Director    | Three           | Three    |
| Mr. Upendra Prasad Singh   | Non-Executive Independent Director    | Three           | Three    |
| Mr. Sudhir Maheshwari      | Non-Executive Independent Director    | Three           | Two      |
| Mr. Anurag Soni            | Executive Director/ Managing Director | Three           | Three    |

\* The Committee was reconstituted on 21<sup>st</sup> October, 2024, due to the retirement of Independent Directors Mr. Achintya Karati & Dr. T. K. Mukhopadhyay w.e.f. 23<sup>rd</sup> September, 2024 and sad demise of Mr. Yaduvendra Mathur on 4<sup>th</sup> May, 2024.

Now the Committee comprises of four members including three Non-Executive Independent Directors and one Executive Director with effect from 21<sup>st</sup> October, 2024.

| Sr. No. | Name of Directors          | Designation |
|---------|----------------------------|-------------|
| 1.      | Mr. Dinesh Chander Patwari | Chairman    |
| 2.      | Mr. Upendra Prasad Singh   | Member      |
| 3.      | Mr. Sudhir Maheshwari      | Member      |
| 4.      | Mr. Anurag Soni            | Member      |

### 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

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation 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, whenever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing with the management, performance of statutory and internal auditors and 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.

## CORPORATE GOVERNANCE REPORT (CONTD.)

- (b) Annual statement of funds utilised 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

Three meetings of Nomination and Remuneration Committee were held during the financial year 2024-2025 on 31<sup>st</sup> July, 2024, 12<sup>th</sup> August, 2024 and on 25<sup>th</sup> October, 2024.

#### Composition and Attendance

The composition and attendance of the Nomination and Remuneration Committee held during the year under review are given below:

| Name of Director           | Category                           | No. of Meetings |          |
|----------------------------|------------------------------------|-----------------|----------|
|                            |                                    | Held            | Attended |
| Mr. Achintya Karati*       | Non-Executive Independent Director | Two             | -        |
| Dr. T. K. Mukhopadhyay*    | Non-Executive Independent Director | Two             | Two      |
| Mr. Yaduvendra Mathur*     | Non-Executive Independent Director | -               | -        |
| Mr. R. P. Soni             | Executive Director/ Chairman       | Three           | Three    |
| Mr. Upendra Prasad Singh   | Non-Executive Independent Director | One             | One      |
| Mr. Dinesh Chander Patwari | Non-Executive Independent Director | One             | One      |

\* The Committee was reconstituted on 21<sup>st</sup> October, 2024, due to the retirement of Independent Directors Mr. Achintya Karati & Dr. T. K. Mukhopadhyay w.e.f. 23<sup>rd</sup> September, 2024 and sad demise of Mr. Yaduvendra Mathur on 4<sup>th</sup> May, 2024.

Now the Committee comprises of three members including two Non-Executive Independent Directors and one Executive Director with effect from 21<sup>st</sup> October, 2024:

| Sr. No. | Name of Directors          | Designation |
|---------|----------------------------|-------------|
| 1.      | Mr. Upendra Prasad Singh   | Chairman    |
| 2.      | Mr. Dinesh Chander Patwari | Member      |
| 3.      | Mr. R. P. Soni             | Member      |

#### Terms of reference

The Nomination and Remuneration Committee is responsible for:

- 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;
- Formulation of criteria for evaluation of performance of independent directors and the Board;
- Devising a policy on Board diversity;
- 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;
- 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;
- Recommend to the board all remuneration, in whatever form, payable to the 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, Risk Management Committees and Corporate Social Responsibility Committees. Any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to the 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.



## CORPORATE GOVERNANCE REPORT (CONTD.)

Details of Remuneration Paid or Payable to Directors for the Financial Year 2024-2025:-

(₹ in Lakhs)

| Name of Director           | Sitting fees | Salary | Perquisites and allowances | Commission | Others |
|----------------------------|--------------|--------|----------------------------|------------|--------|
| Mr. R. P. Soni             | -            | 249.16 | 100.32                     | -          | -      |
| Dr. S.N. Modani            | -            | 141.65 | 46.62                      | -          | 12.37  |
| Mr. V.K. Sodani            | -            | 84.65  | 32.26                      | -          | 9.88   |
| Mr. Anurag Soni            | -            | 58.70  | 30.84                      | -          | -      |
| Mr. Achintya Karati        | 3.06         | -      | -                          | -          | -      |
| Dr. T.K. Mukhopadhyay      | 3.06         | -      | -                          | -          | -      |
| Mr. Yaduvendra Mathur      | -            | -      | -                          | -          | -      |
| Mrs. Aparna Sahay          | 2.40         | -      | -                          | -          | -      |
| Mr. Sudhir Maheshwari      | 4.56         | -      | -                          | -          | -      |
| Mr. Dinesh Chander Patwari | 3.54         | -      | -                          | -          | -      |
| Mr. Upendra Prasad Singh   | 3.84         | -      | -                          | -          | -      |
| Mrs. Irina Garg            | 1.50         | -      | -                          | -          | -      |

### Notes:

- 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.
- Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.
- No severance fees are payable on termination of appointment.
- Mr. Yaduvendra Mathur ceased to be Non-Executive Independent Director of the Company w.e.f. 4<sup>th</sup> May, 2024 due to his sad demise.
- Mr. Dinesh Chander Patwari, Mr. Upendra Prasad Singh and Mrs. Irina Garg have been appointed as Director in category of Non-Executive Independent Director of the Company w.e.f. 12<sup>th</sup> August, 2024 to hold office for a term of 3 years.
- Dr. Tapan Kumar Mukhopadhyay and Mr. Achintya Karati were ceased to be a Director in category of Non-Executive Independent Director of the Company as they have completed two consecutive tenure of 5 years each at the 38<sup>th</sup> AGM held on 23<sup>rd</sup> September, 2024.
- Mrs. Aparna Sahay ceased to be a Director in category of Non-Executive Independent Director w.e.f. 26<sup>th</sup> October, 2024 as her tenure was completed.

### 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 5<sup>th</sup> January, 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 Independent Directors seeking inputs from all the Directors.

The performance of the Committees was evaluated by the Independent Directors seeking inputs from the Committee Members. The Independent Directors reviewed the performance of the Executive Directors including the Chairperson. 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.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### (C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee consists of three directors and Mr. Sudhir Maheshwari, Non-Executive Independent Director is the Chairman of the Committee and thus the constitution of the Committee is in compliance with section 178 of the Act read with Listing Regulations.

#### Meeting

Four meetings of the Stakeholders' Relationship Committee of Board of the Company were held during the financial year 2024-2025 on 10<sup>th</sup> May, 2024, 12<sup>th</sup> August, 2024, 25<sup>th</sup> October, 2024 and on 12<sup>th</sup> February, 2025.

#### Composition and Attendance

The composition and attendance of the Stakeholders' Relationship Committee held during the year under review are given below:

| Name of Director           | Category                           | No. of Meetings |          |
|----------------------------|------------------------------------|-----------------|----------|
|                            |                                    | Held            | Attended |
| Mr. Achintya Karati*       | Non-Executive Independent Director | Two             | Two      |
| Dr. T. K. Mukhopadhyay*    | Non-Executive Independent Director | Two             | One      |
| Mr. Sudhir Maheshwari      | Non-Executive Independent Director | Four            | Two      |
| Mr. Dinesh Chander Patwari | Non-Executive Independent Director | Two             | Two      |
| Mr. R. P. Soni             | Executive Director/ Chairman       | Four            | Four     |

\*The Committee was reconstituted on 21<sup>st</sup> October, 2024, due to the retirement of Independent Directors Mr. Achintya Karati & Dr. T. K. Mukhopadhyay w.e.f. 23<sup>rd</sup> September, 2024.

Now the Committee comprises of three members including two Non-Executive Independent Directors and one Executive Director with effect from 21<sup>st</sup> October, 2024:

| Sr. No. | Name of Directors          | Designation |
|---------|----------------------------|-------------|
| 1.      | Mr. Sudhir Maheshwari      | Chairman    |
| 2.      | Mr. Dinesh Chander Patwari | Member      |
| 3.      | Mr. R. P. Soni             | Member      |

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, 3 (Three) 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

One meeting of the Corporate Social Responsibility Committee of Board of the Company was held during the financial year 2024-2025 on 25<sup>th</sup> October, 2024.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Composition and Attendance

The composition and Attendance of Corporate Social Responsibility Committee held during the year under review are given below:

| Name of Director        | Category                           | No. of Meetings |          |
|-------------------------|------------------------------------|-----------------|----------|
|                         |                                    | Held            | Attended |
| Dr. T. K. Mukhopadhyay* | Non-Executive Independent Director | -               | -        |
| Mr. R. P. Soni          | Executive Director                 | One             | One      |
| Dr. S. N. Modani        | Executive Director                 | One             | One      |
| Mrs. Irina Garg         | Non-Executive Independent Director | One             | One      |

\*The Committee was reconstituted on 21<sup>st</sup> October, 2024, due to the retirement of Independent Directors Dr. T. K. Mukhopadhyay w.e.f. 23<sup>rd</sup> September, 2024.

Now the Committee comprises of three members including one Non-Executive Independent Directors and two Executive Director with effect from 21<sup>st</sup> October, 2024:

| Sr. No. | Name of Directors | Designation |
|---------|-------------------|-------------|
| 1.      | Mr. R. P. Soni    | Chairman    |
| 2.      | Dr. S.N. Modani   | Member      |
| 3.      | Mrs. Irina Garg   | Member      |

The Company formulated CSR Policy, which is uploaded on the website of the Company at the weblink: [https://sangamgroup.com/financials/Policies/CSR\\_Policy.pdf](https://sangamgroup.com/financials/Policies/CSR_Policy.pdf).

### (E) RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted Risk Management Committee (RMC) as required under Regulation 21 of the SEBI (LODR) Regulations, 2015. The terms of reference of the Risk Management Committee inter-alia include the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (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.

### Meeting

Two meetings of the Risk Management Committee of Board of the Company were held during the financial year 2024-2025 on 12<sup>th</sup> August, 2024 and on 12<sup>th</sup> February, 2025.

### Composition and Attendance

The composition and Attendance of Risk Management Committee held during the year under review are given below:

| Name of Director         | Category                              | No. of Meetings |          |
|--------------------------|---------------------------------------|-----------------|----------|
|                          |                                       | Held            | Attended |
| Mr. Yaduvendra Mathur*   | Non-Executive Independent Director    | -               | -        |
| Mrs. Aparna Sahay*       | Non-Executive Independent Director    | One             | One      |
| Mr. Anurag Soni          | Executive Director/ Managing Director | Two             | Two      |
| Mr. V.K. Sodani          | Executive Director                    | Two             | Two      |
| Mr. Upendra Prasad Singh | Non-Executive Independent Director    | One             | One      |

## CORPORATE GOVERNANCE REPORT (CONTD.)

| Name of Director  | Category  | No. of Meetings |          |
|-------------------|---|-----------------|----------|
|                   |   | Held            | Attended |
| Mrs. Irina Garg   | Non-Executive Independent Director              | One             | One      |
| Mr. Pranal Modani | Chief Executive Officer (Yarn & Denim Business) | Two             | Two      |

\*The Committee was reconstituted on 12<sup>th</sup> August, 2024, due to the sad demise of Mr. Yaduvendra Mathur on 4<sup>th</sup> May, 2024 and Mr. Aparna Sahay was appointed as member of the committee in his place.

The Committee was again reconstituted on 21<sup>st</sup> October, 2024 and it comprises of five members -

| Sr. No. | Name of Directors        | Designation |
|---------|--------------------------|-------------|
| 1.      | Mr. Anurag Soni          | Chairman    |
| 2.      | Mr. V.K. Sodani          | Member      |
| 3.      | Mr. Upendra Prasad Singh | Member      |
| 4.      | Mrs. Irina Garg          | Member      |
| 5.      | Mr. Pranal Modani        | Member      |

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\\_Management\\_Policy.pdf](https://sangamgroup.com/financials/Policies/Risk_Management_Policy.pdf).

## GENERAL BODY MEETINGS

### General Meeting

#### (a) Annual General Meeting

Details of location and time of holding the last three Annual General Meetings:

| General Body Meeting      | Day, Date                                  | Time       | Venue   | Detail of Special Resolution passed  |
|---------------------------|--|------------|---|--|
| 36 <sup>th</sup> AGM-2022 | Thursday, 29 <sup>th</sup> September, 2022 | 04.00 P.M. | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) | <ul style="list-style-type: none"> <li>Re-appointment of Dr. S.N. Modani (DIN: 00401498) as a Managing Director of the Company.</li> <li>Re-appointment of Mr. V.K. Sodani (DIN: 00403740) as Executive Director of the Company.</li> <li>To Approve Revision in the Remuneration of Mr. Pranal Modani, Chief Business Strategist of the Company.</li> <li>Appointment of Mr. Sudhir Maheshwari (DIN: 02376365) as an Independent Director of the Company.</li> </ul>  |
| 37 <sup>th</sup> AGM-2023 | Friday, 22 <sup>nd</sup> September, 2023   | 04.00 P.M. | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) | <ul style="list-style-type: none"> <li>Appointment of Dr. S.N. Modani (DIN: 00401498) as a Whole Time Director designated as Vice Chairman of the Company</li> <li>Appointment of Mr. Anurag Soni (DIN: 03407094) as Managing Director of the Company</li> <li>To approve the increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013</li> <li>To approve creation of charge/mortgage under section 180(1)(a) of Act, 2013</li> <li>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")</li> <li>To rectify the discrepancies noted in Extra ordinary General Meeting held on 13<sup>th</sup> November, 2021 and Resolution passed for Preferential issue of 57,00,000 Share warrants</li> </ul> |



## CORPORATE GOVERNANCE REPORT (CONTD.)

| General Body Meeting      | Day, Date                                | Time       | Venue   | Detail of Special Resolution passed  |
|---------------------------|--|------------|---|--|
| 38 <sup>th</sup> AGM-2024 | Monday, 23 <sup>rd</sup> September, 2024 | 04.00 P.M. | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) | <ul style="list-style-type: none"> <li>Appointment of Mr. Dinesh Chander Patwari (DIN: 10060352) as a Director and as an Independent Director of the Company</li> <li>Appointment of Mr. Upendra Prasad Singh (DIN: 00354985) as a Director and as an Independent Director of the Company</li> <li>Appointment of Mrs. Irina Garg (DIN: 10732703) as a Director and as an Independent Woman Director of the Company</li> </ul> |

### (b) Extra-Ordinary General Meeting (EGM)

There was no Extra-Ordinary General Meeting held during the Financial Year 2024-25.

### (c) Postal Ballot

The following resolution was passed on 29<sup>th</sup> November, 2024, by the Company's members through postal ballot.

Special Resolutions for approval of re-appointment of Mr. Ram Pal Soni (DIN-00401439) as Whole Time Director designated as Chairman of the Company for a period of three years w.e.f. 1<sup>st</sup> September, 2024.

Details of the aforesaid resolution passed through postal ballot are as under-

#### A. Person who conducted the postal ballot exercise:

The Board appointed Mr. Brij Kishore Sharma, M/s B K Sharma & Associates, Practicing Company Secretaries (M.No. FCS 6206) (CP. No. 12636), as the scrutiniser to conduct the postal ballot voting process and he submitted his report to the chairman.

#### B. Procedure followed:

- The postal ballot notice and accompanying documents were dispatched to the shareholders by email only.
- The e-voting commenced on 30<sup>th</sup> October, 2024 (9:00 AM IST) and closed on 28<sup>th</sup> November, 2024 (5:00 PM IST).

### C. Details of voting pattern:

After scrutinizing the e-voting conducted through Postal Ballot, the Scrutiniser reported the result as under:

| Sr. No. | Item  | % of shareholders voted in favour of the resolution |
|---------|---|---|
| 1       | Re-appointment of Mr. Ram Pal Soni (DIN: 00401439) as Whole-time Director designated as Chairman of the Company | 99.54%  |

## MEANS OF COMMUNICATION

- 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 of 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 FY 2024-25 and Notice of 39<sup>th</sup> AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.
- The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter.

## CORPORATE GOVERNANCE REPORT (CONTD.)

- III. The approved financial results are forthwith sent to the Stock Exchanges and are normally published in "Business Standard" (English) and "Rajasthan Patrika" or "Dainik Bhaskar" (Hindi).
- IV. The Company's financial result is displayed on the Company's website- [www.sangamgroup.com](http://www.sangamgroup.com). It also displays official press release along with investors' presentations made to institutional investors or to the analysts.
- V. Management Discussion and Analysis 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 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.

### GENERAL SHAREHOLDER INFORMATION

|   |  |  |
|---|--|--|
| A | <b>39<sup>th</sup> Annual General Meeting (through VC/OAVM)</b>              |  |
|   | - Day, Date and Time   | Friday, 19 <sup>th</sup> September, 2025 at 11.00 A.M.   |
|   | - Deemed Venue   | "Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)   |
| B | <b>Financial Calendar</b>  | 2024-25  |
| C | <b>Record date</b>   | Friday, 12 <sup>th</sup> September, 2025   |
| D | <b>Dividend payment dates</b>  | Within 30 days from date of AGM  |
| E | <b>The listing fee has been paid up to date, to all the Stock Exchanges.</b> | Yes  |
|   | <b>Bombay Stock Exchange Ltd. (BSE)</b>                                      | BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001   |
|   | i. Scrip code  | 514234   |
|   | ii. Trading symbol   | SANGAMIND  |
|   | <b>National Stock Exchange of India Ltd. (NSE)</b>                           | 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 | <b>Demat ISIN Numbers in NSDL &amp; CDSL</b>                                 | INE495C01010   |

### 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 7<sup>th</sup> June, 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 centralised web based complaints redress system which serves as a centralised 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 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 Report is also available in the Investor Relations section on the Company's website [www.sangamgroup.com](http://www.sangamgroup.com).

## CORPORATE GOVERNANCE REPORT (CONTD.)

### Credit Rating

Credit rating agency "India Ratings & Research" reviewed various credit facilities of the Company during the financial year ended 31<sup>st</sup> March, 2025 as per the following details:

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

### Dividend

The Board of Directors at their meeting held on 29<sup>th</sup> May, 2025 have recommended a Dividend of ₹ 2/- per share for the year ended 31<sup>st</sup> March, 2025, subject to shareholders approval at the forthcoming 39<sup>th</sup> Annual General Meeting. If approved, the dividend will be paid to the shareholders within 30 days from the date of Annual General Meeting.

### Stock Market Data

The reported high and low prices of equity shares of Sangam (India) Limited traded during Financial Year 2024-2025 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, 2024     | 485.00            | 410.00 | 75,124.28 | 71,816.46 | 487.60                                      | 410.10 | 22,783.35     | 21,777.65 |
| May, 2024       | 441.00            | 357.35 | 76,009.68 | 71,866.01 | 442.45                                      | 359.55 | 23,110.80     | 21,821.05 |
| June, 2024      | 453.00            | 319.85 | 79,671.58 | 70,234.43 | 455.00                                      | 317.60 | 24,174.00     | 21,281.45 |
| July, 2024      | 437.85            | 383.50 | 81,908.43 | 78,971.79 | 442.50                                      | 382.80 | 24,999.75     | 23,992.70 |
| August, 2024    | 458.00            | 360.90 | 82,637.03 | 78,295.86 | 458.35                                      | 375.00 | 25,268.35     | 23,893.70 |
| September, 2024 | 498.20            | 393.05 | 85,978.25 | 80,895.05 | 498.40                                      | 392.35 | 26,277.35     | 24,753.15 |
| October, 2024   | 469.05            | 373.20 | 84,648.40 | 79,137.98 | 471.85                                      | 373.05 | 25,907.60     | 24,073.90 |
| November, 2024  | 400.00            | 350.00 | 80,569.73 | 76,802.73 | 400.00                                      | 348.15 | 24,537.60     | 23,263.15 |
| December, 2024  | 450.00            | 364.25 | 82,317.74 | 77,560.79 | 451.80                                      | 363.50 | 24,857.75     | 23,460.45 |
| January, 2025   | 453.00            | 369.25 | 80,072.99 | 75,267.59 | 453.30                                      | 367.95 | 24,226.70     | 22,786.90 |
| February, 2025  | 414.00            | 300.05 | 78,735.41 | 73,141.27 | 428.80                                      | 302.00 | 23,807.30     | 22,104.85 |
| March, 2025     | 439.00            | 295.25 | 78,741.69 | 72,633.54 | 439.85                                      | 293.15 | 23,869.60     | 21,964.60 |

### (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2025

| Category Range – Shares | Shareholders |            | Shareholding     |            |
|-------------------------|--------------|------------|------------------|------------|
|                         | Number       | Percentage | Number of Shares | Percentage |
| Up to 5000              | 10,444       | 91.5819    | 90,56,170        | 1.8023     |
| 5001-10000              | 433          | 3.7969     | 34,17,710        | 0.6802     |
| 10001-20000             | 221          | 1.9379     | 33,79,380        | 0.6726     |
| 20001-30000             | 76           | 0.6664     | 19,66,050        | 0.3913     |
| 30001-40000             | 41           | 0.3595     | 14,52,010        | 0.2890     |

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/distribution.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.

## CORPORATE GOVERNANCE REPORT (CONTD.)

| Category Range – Shares | Shareholders  |               | Shareholding        |               |
|-------------------------|---------------|---------------|---------------------|---------------|
|                         | Number        | Percentage    | Number of Shares    | Percentage    |
| 40001-50000             | 26            | 0.2280        | 12,39,910           | 0.2468        |
| 50001-1,00,000          | 64            | 0.5612        | 48,04,450           | 0.9562        |
| 1,00,001 and above      | 99            | 0.8681        | 47,71,49,910        | 94.9617       |
| <b>TOTAL</b>            | <b>11,404</b> | <b>100.00</b> | <b>50,24,65,590</b> | <b>100.00</b> |

### (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2025

| Category  | No. of Shares held | % of Shareholding |
|---|--------------------|-------------------|
| <b>Promoters/Promoter Group</b>   |                    |                   |
| (a) Individual Promoters  | 1,14,59,433        | 22.81%            |
| (b) Persons acting in Concerts  | 2,37,96,005        | 47.36%            |
| <b>Public</b>   |                    |                   |
| Mutual Funds and UTI  | 2,87,778           | 0.57%             |
| Banks, Financial Institution, Insurance Companies, NBFCs registered with RBI (Central/State Govt. Institutions/ Non-Govt. Institutions) |                    |                   |
| Foreign Portfolio Investors   | 13,46,971          | 2.68%             |
| Private Corporate Bodies  | 66,32,156          | 13.20%            |
| Indian Public   | 54,49,127          | 10.84%            |
| NRI's / OCBs  | 2,30,993           | 0.46%             |
| Clearing Members  | 32,178             | 0.06%             |
| Investor Education and Protection Fund (IEPF)   | 1,04,951           | 0.21%             |
| Firms   | 3,000              | 0.01%             |
| HUF   | 4,04,572           | 0.81%             |
| Trusts  | 50                 | 0.00%             |
| Non Promoter - Non Public holding   |                    |                   |
| Shares held by Employee Trust   | 4,99,345           | 0.99%             |
| <b>TOTAL</b>  | <b>5,02,46,559</b> | <b>100.00%</b>    |

### Dematerialisation of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialisation. 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 dematerialised 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 99.84% of the shares holdings have already been dematerialised. Shares of the Company are actively traded on 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:

No Convertible instruments are outstanding as on 31<sup>st</sup> March, 2025.

### 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](mailto:secretarial@sangamgroup.com)  
website: [www.sangamgroup.com](http://www.sangamgroup.com)



**CORPORATE GOVERNANCE REPORT (CONTD.)****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.)

**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,

Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Maharashtra India

Tel No: +91-022-62638200

E-mail: [investor@bigshareonline.com](mailto: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

E-mail: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com)

Website: [www.sangamgroup.com](http://www.sangamgroup.com)

**Share Transfer System:**

Pursuant to SEBI notification dated January 24, 2022, requests for effecting transfer of securities in physical form, shall not be processed by the Company. The share related information is available online.

Physical shares received for dematerialisation are processed and completed within a period of 21 days from the date of receipt.

**OTHER DISCLOSURES****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: [https://sangamgroup.com/financials/Policies/RPT\\_Policy.pdf](https://sangamgroup.com/financials/Policies/RPT_Policy.pdf).

**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 victimisation 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: [https://sangamgroup.com/financials/Policies/Whistle\\_Blower\\_Policy.pdf](https://sangamgroup.com/financials/Policies/Whistle_Blower_Policy.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.

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 31<sup>st</sup> March, 2025 is given in the Directors' report.

### **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 31<sup>st</sup> March, 2025.

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

(Anurag Soni)  
Managing Director  
DIN: 03407094  
Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025



## 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 of  
**SANGAM (INDIA) LIMITED**  
Atun, Chittorgarh Road,  
Bhilwara-311001  
(Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of 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 Schedule V Para C clause 10(i) 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](http://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 31<sup>st</sup> March, 2025 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.

| Sr. No. | Name of Director              | DIN      | Date of appointment in Company  |
|---------|-------------------------------|----------|---|
| 1.      | Mr. Ram Pal Soni              | 00401439 | 31 <sup>st</sup> December, 1984   |
| 2.      | Dr. Shri Niwas Modani         | 00401498 | 20 <sup>th</sup> June, 1989   |
| 3.      | Mr. Vinod Kumar Sodani        | 00403740 | 21 <sup>st</sup> December, 2006   |
| 4.      | Mr. Anurag Soni               | 03407094 | 21 <sup>st</sup> January, 2021  |
| 5.      | Mr. Sudhir Maheshwari         | 02376365 | 01 <sup>st</sup> August, 2022   |
| 6.      | Mr. Upendra Prasad Singh      | 00354985 | 12 <sup>th</sup> August, 2024   |
| 7.      | Mr. Dinesh Chander Patwari    | 10060352 | 12 <sup>th</sup> August, 2024   |
| 8.      | Mrs. Irina Garg               | 10732703 | 12 <sup>th</sup> August, 2024   |
| 9.      | Mr. Achintya Karati*          | 00024412 | 26 <sup>th</sup> December, 2004 Till 23 <sup>rd</sup> September, 2024         |
| 10.     | Dr. Tapan Kumar Mukhopadhyay* | 00239251 | 07 <sup>th</sup> February, 2011 Till 23 <sup>rd</sup> September, 2024         |
| 11.     | Mr. Yaduvendra Mathur         | 00307650 | 23 <sup>rd</sup> September, 2021 Till 04 <sup>th</sup> May, 2024 due to Death |
| 12.     | Mrs. Aparna Sharma Sahay**    | 02251732 | 26 <sup>th</sup> October, 2023 Till 25 <sup>th</sup> October, 2024            |

\*The second Term as Independent Directors has been completed on 23<sup>rd</sup> September, 2024.

\*\*The First Term as Independent Director has been completed on 25<sup>th</sup> October, 2024.

Ensuring the eligibility of 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

**BRIJ KISHORE SHARMA**

Proprietor

Membership No. : FCS - F6206; CP No.: 12636

Peer Review Certificate No.: 6711/2025

UDIN: F006206G000487676

Place: Jaipur  
Date: 29<sup>th</sup> May, 2025

# 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 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March, 2025.

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

**BRIJ KISHORE SHARMA**  
Proprietor

Membership No. : FCS - F6206; CP No.: 12636  
Peer Review Certificate No.: 6711/2025  
UDIN: F006206G000487676

Place: Jaipur  
Date: 29<sup>th</sup> May, 2025



## CEO / CFO CERTIFICATION

(Pursuant to regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements),  
Regulations, 2015 for the Financial Year ended 31<sup>st</sup> March, 2025

We the undersigned, in our respective capacities as Managing Director & Chief Financial Officer of Sangam (India) Limited ("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 31<sup>st</sup> March, 2025 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**

**For Sangam (India) limited**

(Anurag Soni)  
Managing Director  
DIN: 03407094

(S. R. Dakhera)  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

| Sr. No. | Particulars   | FY 2024-2025  |
|---------|---|---|
| 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  | 2024-25   |
| 10      | Name of the Stock Exchange(s) where shares are listed   | Bombay Stock Exchange Ltd,<br>National Stock Exchange of India Ltd  |
| 11      | Paid-up Capital   | ₹ 50,24,65,590  |
| 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. S.R. Dakhera,<br>Chief Financial Officer<br>Cont No. 01482 245400-406,<br>email id sr.dakhera@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  |
| 14      | Name of assurance provider  | NA  |
| 15      | Type of assurance obtained  | NA  |

#### II. Products/services

##### 16. Details of business activities (accounting for 90% of the turnover):

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

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

| Sr. No. | Product/Service | NIC Code | % of total Turnover Contributed |
|---------|-----------------|----------|---------------------------------|
| 1       | Cotton Yarn     | 13111    | 20.51%                          |
| 2       | PV Yarn         | 13114    | 26.38%                          |
| 3       | PV Fabric       | 13124    | 17.94%                          |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

| Sr. No. | Product/Service  | NIC Code | % of total Turnover Contributed |
|---------|------------------|----------|---------------------------------|
| 4       | Denim Fabric     | 13131    | 30.94%                          |
| 5       | Knitted Fabric   | 13911    | 2.40%                           |
| 6       | Seamless Garment | 14101    | 1.82%                           |

**III. Operations**
**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 5                | 9                 | 14    |
| International | 0                | 0                 | 0     |

**19. Markets served by the entity:**
**a. Number of locations**

| Locations                        | Number |
|----------------------------------|--------|
| National (No. of States)         | 9      |
| International (No. of Countries) | 0      |

\*Note: Total 9 number of GST active & we served in all states

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

39.48%

**c. A brief on types of customers**

At Sangam India, we take pride in catering to a broad spectrum of customers across multiple sectors and industries. Our customer base comprises:

- Government organisations
- Public limited companies
- Private limited companies
- Micro, Small, and Medium Enterprises (MSMEs)
- Traders
- Partnership firms
- Sole proprietors

Our commitment to understanding the distinct requirements of each customer segment allows us to deliver exceptional value, resulting in higher customer satisfaction and long-term loyalty.

**IV. Employees**
**20. Details as at the end of Financial Year:**
**a. Employees and workers (including differently abled):**

| Sr. No.   | Particulars              | Total (A) | Male    |           | Female  |           |
|-----------|--------------------------|-----------|---------|-----------|---------|-----------|
|           |                          |           | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES |                          |           |         |           |         |           |
| 1         | Permanent (D)            | 1,314     | 1,268   | 96.49%    | 46      | 3.51%     |
| 2         | Other than Permanent (E) | 0         | 0       | 0         | 0       | 0         |
| 3         | Total employees (D + E)  | 1,314     | 1,268   | 96.49%    | 46      | 3.51%     |
| WORKERS   |                          |           |         |           |         |           |
| 4         | Permanent (F)            | 8,554     | 7,510   | 87.80%    | 1,044   | 12.20%    |
| 5         | Other than Permanent (G) | 1,151     | 1,000   | 86.88%    | 151     | 13.10%    |
| 6         | Total workers (F + G)    | 9,705     | 8,510   | 87.7%     | 1,195   | 12.3%     |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### b. Differently abled Employees and workers:

| Sr. 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)                             | 0         | 0       | 0         | 0       | 0         |
| 5                           | Other than Permanent (E)                  | 0         | 0       | 0         | 0       | 0         |
| 6                           | Total differently abled workers (F + G)   | 0         | 0       | 0         | 0       | 0         |

### 21. Participation/Inclusion/Representation of women

| Particular               | Total (A) | No. and percentage of Females |           |
|--------------------------|-----------|-------------------------------|-----------|
|                          |           | No. (B)                       | % (B / A) |
| Board of Directors       | 8         | 1                             | 12.50%    |
| Key Management Personnel | 6         | 0                             | 0%        |

\*Note: KMP includes our 4 Whole-time directors and CFO and company Secretary.

### 22. Turnover rate for permanent employees and workers

| Particular          | FY 2024-25                    |        |        | FY 2023-24                     |        |        | FY 2022-23   |        |        |
|---------------------|-------------------------------|--------|--------|--------------------------------|--------|--------|--|--------|--------|
|                     | (Turnover rate in current FY) |        |        | (Turnover rate in previous FY) |        |        | (Turnover rate in the year prior to the previous FY) |        |        |
|                     | Male                          | Female | Total  | Male                           | Female | Total  | Male   | Female | Total  |
| Permanent Employees | 37.54%                        | 34.57% | 37.45% | 26.07%                         | 34.38% | 26.25% | 15.77%   | 17.02% | 15.79% |
| Permanent Workers   | 79.84%                        | 73.04% | 79.08% | 65.65%                         | 59.67% | 65.06% | 68.50%   | 55.14% | 67.34% |

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

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

| Sr. 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

| 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) | Yes             |
|---|-----------------|
| a. Turnover (in ₹)  | 28,43,00,81,886 |
| b. Net worth (in ₹)   | 10,03,40,16,510 |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### VII. Transparency and Disclosures Compliances

#### 25. 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) * | FY 2024-25                                 |  |         | FY 2023-24                                 |  |         |
|---|---|--|--|---------|--|--|---------|
|   |   | Current Financial Year                     |  |         | 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   | 3  | 0  | -       | 0  | 0  | -       |
| Employees and workers                             | Yes   | 70   | 0  | -       | 96   | 0  | -       |
| Customers   | Yes   | 7  | 0  | -       | 8  | 0  | -       |
| Value Chain Partners                              | Yes   | 0  | 0  | -       | 0  | 0  | -       |
| Other (please specify)                            | -   | -  | -  | -       | -  | -  | -       |

\* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

| Stakeholder group from whom complaint is received | Web Link for Grievance Policy   |
|---|---|
| Communities                                       | <a href="https://sangamgroup.com/investors-handbook/">https://sangamgroup.com/investors-handbook/</a> |
| Investors (other than shareholders)               |   |
| Shareholders                                      |   |
| Employees and workers                             |   |
| Customers   |   |
| Value Chain Partners                              |   |
| Other (please specify)                            |   |

#### 26. 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:

| Sr. 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 promotes the reuse, refurbishment, and recycling of materials and products. Transitioning to this model can lead to reduced material consumption. Evolving regulations, shifting market demands, and emerging technologies can further contribute to cost reductions. |  | Positive   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

| Sr. 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                                | Companies that adopt sustainable sourcing practices and emphasise reuse, refurbishment, and recycling are often perceived as more responsible. This enhances their brand image and fosters trust among consumers, investors, and other stakeholders. Consequently, such companies benefit from stronger brand loyalty and increased sales. Moreover, sustainable supply chain practices appeal to environmentally conscious investors, unlocking new financial opportunities. In this way, sustainable sourcing and supply chain management offer textile companies a competitive advantage in a sustainability-driven future. |   | Opportunity  |
| 3.      | Water and Waste Management                       | Risk                                       | Water is a critical resource for textile manufacturing. Inefficient use of water can lead to scarcity and drive-up production costs. Similarly, various company operations, including manufacturing processes, equipment maintenance, and administrative activities, generate waste. If this waste is not effectively managed, it can contribute to air pollution, climate change, and have both direct and indirect negative impacts on the ecosystem.  | <p>Our company has adopted robust measures to ensure responsible water and waste management. We have installed ETP and CTP systems across all our facilities to effectively treat water discharge and minimise pollution. As a Zero Liquid Discharge (ZLD) company, we are committed to recycling and treating all wastewater, thereby eliminating liquid waste discharge.</p> <p>Our waste management approach is designed to reduce both environmental and human risks. Hazardous waste is handled strictly by authorised agencies, while non-hazardous waste is recycled. For example, boiler ash is repurposed by brick manufacturers, and we compost dry vegetation and certain canteen waste on-site, significantly reducing our ecological impact.</p> | Negative   |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

| Sr. 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>Energy consumption and emissions pose a significant challenge in the textile industry. The sector's heavy reliance on fossil fuels leads to substantial greenhouse gas (GHG) emissions. With tightening environmental regulations, rising energy prices, potential carbon taxes, and growing consumer expectations for sustainability, the risk continues to escalate.</p> <p>Inefficient energy use not only increases operational expenses but also jeopardises market access, as more customers and stakeholders insist on environmentally responsible supply chains. To address these challenges, textile companies must implement effective energy and emissions management practices—such as adopting energy-efficient technologies and transitioning to renewable energy sources—to lower costs, mitigate environmental risks, and enhance their sustainability performance.</p> | <p>Our company is proactively implementing various initiatives to lower emissions and reduce reliance on non-renewable energy sources. To address greenhouse gas emissions, we have deployed rooftop solar installations, biomass-based co-generation thermal power plants, and wind turbines. These renewable energy solutions significantly help us shrink our carbon footprint.</p> <p>Alongside this, we have introduced several energy conservation measures, including converting condensing turbines, fixing compressed air leakages, modifying WCS ducts, and fine-tuning the speed of auto corner machines. Together, these efforts enhance energy efficiency, minimise our environmental impact, and reinforce our dedication to sustainable and responsible business practices.</p> | Negative   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

| Sr. 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) |
|---------|----------------------------------|--|---|---|--|
| 5.      | Human Rights & Labour Management | Risk                                       | Companies that prioritise human rights demonstrate their commitment to fostering sustainable and mutually respectful relationships with all stakeholders impacted by their operations—be it customers, communities, employees, or investors. This reflects genuine concern for the well-being of the people connected to their business. Likewise, organisations that depend on an on-site workforce must implement strong labor management practices. These practices should consider the scale and nature of the workforce, the quality of management-labor relations, the protection of workers' rights, and proactive efforts to engage with employees. | <p>Our company is deeply committed to upholding human and labor rights, with dedicated policies and grievance mechanisms in place to support these values. We promote a culture of transparency by encouraging employees to share their concerns openly. To maintain high standards, we conduct regular internal and external audits across all our facilities, continuously reviewing and refining our practices to ensure alignment with human and labor rights regulations.</p> <p>Furthermore, we participate in the annual Sedex-SMETA 4-Pillar Audits, which assesses our performance in labor standards, health and safety, environmental practices, and business ethics. This robust framework helps us align with international benchmarks, reduce associated risks, and foster a safe, fair, and inclusive work environment. These thorough measures reflect our unwavering commitment to responsible labor management and human rights protection.</p> | Negative   |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

| Sr. 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 valuable opportunity for textile companies. Enhancing workforce skills can significantly improve productivity and operational efficiency, resulting in stronger performance and a more competitive edge. Supporting employee wellbeing helps lower absenteeism and fosters a healthier, more positive work environment, which contributes to improved job performance. Additionally, increased job satisfaction promotes employee loyalty and reduces attrition, ultimately lowering long-term costs associated with hiring and training new staff. |   | Positive   |
| 7.      | Impact on community                                      | Opportunity                                | When businesses actively support local community development, they contribute to creating a stronger and more resilient ecosystem. Such involvement can strengthen the local economy and expand the customer base, ultimately offering long-term advantages to the business itself.   |   | Positive   |
| 8.      | Customer Satisfaction                                    | Risk                                       | Customer satisfaction plays a vital role in a company's success. By placing strong emphasis on meeting customer needs, businesses can strengthen their brand reputation, differentiate themselves from competitors, and attract a wider customer base. This approach not only fosters greater customer loyalty but also boosts the overall brand value of textile companies.  | To effectively manage customer satisfaction, we have implemented a responsive and inclusive system. Customers are given direct contact information to ensure easy access to our support team. Upon receiving a complaint, it is promptly recorded in our system, assigned to a specific team member, and thoroughly examined. Our goal is to resolve concerns quickly while keeping customers updated throughout the process to ensure transparency. Additionally, we analyze complaint trends to identify and address recurring issues, helping us continuously improve our products and services. | Negative   |



## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (CONTD.)

| Sr. 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 are key to maintaining competitiveness and relevance in the ever-evolving textile industry. Adopting advanced technologies and novel materials allows textile manufacturers to tap into new market opportunities while improving efficiency and productivity. Furthermore, innovations in textile materials and production methods help minimise the industry's environmental impact, supporting broader sustainability objectives.  |   | Positive   |
| 10.     | Ethics & Business Conduct     | Risk                                       | Textile companies face significant risks related to ethics and business conduct, including fraud, executive misconduct, corruption, money laundering, and anti-trust breaches. Such issues can seriously damage a company's reputation, financial health, and long-term viability. To mitigate these risks, it is vital to maintain high ethical standards. This involves enforcing stringent codes of conduct, establishing strong monitoring mechanisms, and providing ongoing training to employees to ensure these challenges are managed effectively. | <p>To effectively manage risks related to ethics and business conduct, we have established a comprehensive ethics program anchored by a well-defined code of conduct. These principles are clearly communicated and embedded throughout all aspects of our operations. We regularly conduct training and awareness sessions to ensure our employees fully understand and uphold these standards.</p> <p>Additionally, we have implemented an anonymous reporting system to support whistleblowing, enabling concerns to be raised and resolved promptly and fairly.</p> | Negative   |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

| Sr. 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) |
|---------|------------------------------------|--|--|---|--|
| 11.     | Compliance with Laws & Regulations | Risk                                       | Adhering to legal and regulatory requirements is a critical challenge for textile companies, as it involves compliance with a wide range of local and international laws related to labor rights, environmental protection, health and safety, and quality standards. Non-compliance can result in financial penalties, reputational damage, and operational setbacks. Hence, it is essential for textile companies to maintain strict compliance with all applicable regulations to effectively manage and reduce these risks.  | To effectively mitigate compliance risk, we ensure a deep understanding of applicable laws and regulations, conduct regular audits, and enforce stringent internal policies. We also prioritise ongoing training and education for our employees to keep them informed about current compliance obligations. Moreover, we cultivate a strong compliance culture across the organisation, consistently reinforcing the importance of following legal and regulatory standards in every aspect of our operations. | Negative   |
| 12.     | Corporate Governance               | Risk                                       | This evaluation is based on a company's performance in key governance areas, including ownership and control structures, board compensation, accounting practices, business ethics, and tax transparency. It examines how the Company's corporate governance and ethical standards affect its shareholders and broader investor community. The assessment highlights the effectiveness of the governance framework in promoting transparency, accountability, and ethical conduct, all of which play a vital role in shaping investor trust and perceptions of the Company's long-term sustainability and overall performance. | Our company is built on the core values of transparency, integrity, professionalism, and accountability. We are committed to reinforcing these principles by adopting innovative approaches that promote efficient resource utilisation and transform opportunities into accomplishments. This is made possible by empowering and inspiring our people, ensuring that every aspect of our operations remains aligned with these foundational values.  | Negative   |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 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.

| Sr. No                                  | Disclosure Questions   | P1  | P2  | P3        | P4  | P5        | P6  | P7 | P8  | P9  |
|---|--|---|---|-----------|-----|-----------|---|----|-----|-----|
| <b>Policy and management processes:</b> |  |   |   |           |     |           |   |    |     |     |
| 1. a                                    | Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)   | Yes   | Yes   | Yes       | Yes | Yes       | Yes   | No | Yes | Yes |
| b                                       | Has the policy been approved by the Board? (Yes/No/NA)   | Yes   | Yes   | Yes       | Yes | Yes       | Yes   | No | Yes | Yes |
| c                                       | Web Link of the Policies, if available   | <a href="https://sangamgroup.com/investors-handbook/">https://sangamgroup.com/investors-handbook/</a> |   |           |     |           |   |    |     |     |
| 2                                       | Whether the entity has translated the policy into procedures. (Yes / No/ NA)   | Yes   | Yes   | Yes       | Yes | Yes       | Yes   | No | Yes | Yes |
| 3                                       | Do the enlisted policies extend to your value chain partners? (Yes/ No/NA)   | Yes   | Yes   | Yes       | Yes | Yes       | Yes   | No | Yes | Yes |
| 4                                       | Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | -   | ISO 9001:2015<br>OEKO-TEX<br>Global Recycled certification<br>Global Organic Textile Standard | ISO 45001 | -   | 8000:2014 | ISO14001:2015<br>OEKO-TEX<br>Global Recycled certification<br>Global Organic Textile Standard | -  | -   | -   |
| 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  |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### Governance, leadership and oversight:

|  |   |  |           |  |  |
|--|---|--|-----------|--|--|
| 7  | <b>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)</b>   |  |           |  |  |
|  | <p>As the Director of our leading textile company, I am pleased to present our Business Responsibility and Sustainability Report, which highlights our ongoing commitment to Environmental, Social, and Governance (ESG) principles. At the core of our business philosophy lies a strong belief in the transformative power of sustainable practices and our responsibility to create lasting, positive change for society and the environment.</p> <p>In line with BRSR requirements, we have conducted a comprehensive materiality assessment to identify the most significant ESG-related concerns affecting our business and stakeholders. This process highlighted critical focus areas such as water stewardship, greenhouse gas (GHG) emissions reduction, energy efficiency, and the circular economy. These areas now form the foundation of our strategic sustainability initiatives across our operations.</p> <p>Our Corporate Social Responsibility (CSR) policy reflects our efforts to address key social and developmental challenges. We support initiatives aimed at eradicating hunger, poverty, and malnutrition, and are equally dedicated to enhancing access to both general and preventive healthcare. Our priorities also include environmental conservation, ecological restoration, livelihood enhancement through skill development, and vocational training.</p> <p>We continue to invest in education and empowerment, with a particular focus on children, women, the elderly, and persons with disabilities. Our programs also extend to promoting gender equality, women's empowerment, rural development, and fostering innovation through academic and technological incubators.</p> <p>To ensure sustainable progress, we are embedding a culture of accountability and environmental consciousness across our organisation. This mindset is helping us take meaningful steps toward integrating sustainable practices in all areas of our business.</p> <p>We have already implemented several energy and emissions reduction measures. These include the adoption of renewable energy sources such as rooftop solar panels, biomass-based co-generation plants, and wind energy systems. In addition, we have improved energy efficiency through technical upgrades like turbine modifications, compressed air leak detection, duct optimisation, and speed control on textile machinery.</p> <p>Ensuring the health and safety of our workforce is paramount. Our facilities are certified under ISO 45001:2018, confirming adherence to global occupational health and safety standards. Our Denim and Sareri units have earned SA 8000:2014 certification, and we regularly undergo Sedex-SMETA 4-Pillar audits, which assess compliance in labor standards, health and safety, environmental performance, and ethical practices.</p> <p>We also maintain stringent food safety and hygiene standards, supported by a canteen committee and the provision of FSSAI-certified meals. Safe water access is ensured through in-house water treatment facilities.</p> <p>Looking ahead, we have set ambitious goals to further our ESG performance. These include scaling up the use of recycled fibers, reducing plastic waste by converting it into raw materials, and promoting organic cotton usage to lower our environmental footprint, particularly GHG emissions.</p> <p>In conclusion, our company remains steadfast in its commitment to integrating ESG principles into every facet of our operations. By advancing sustainable business practices and fostering inclusive growth, we aim to contribute meaningfully to a more resilient, responsible, and equitable future.</p> <p>Mr. Anurag Soni<br/>Managing Director<br/>03407094</p> |  |           |  |  |
| 8  | <b>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b><br>Mr. Anurag Soni, Managing Director   |  |           |  |  |
| 9  | <table border="1"> <tr> <td data-bbox="177 1868 1070 1935"> <b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).</b> </td><td data-bbox="1070 1868 1463 1935"> <b>No</b> </td></tr> <tr> <td colspan="2" data-bbox="177 1935 1070 2000">           If Yes please provide details<br/>Board of Director         </td></tr> </table>  | <b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).</b> | <b>No</b> | If Yes please provide details<br>Board of Director |  |
| <b>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).</b> | <b>No</b>   |  |           |  |  |
| If Yes please provide details<br>Board of Director   |   |  |           |  |  |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 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 |    |    |    |    |    |    |    |    |
|----|--|--|----|----|----|----|----|----|----|----|
|    |  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| a. | Performance against above policies and follow up action  | Committee of the Board   |    |    |    |    |    |    |    |    |
| b. | Description of other committee for performance against above policies and follow up action                                 | Not Applicable   |    |    |    |    |    |    |    |    |
| c. | Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances             | Committee of the Board   |    |    |    |    |    |    |    |    |
| d. | Description of other committee for compliance with statutory requirements of relevance to the principles and rectification | Not Applicable   |    |    |    |    |    |    |    |    |

|    | Subject for Review   | Frequency (Annually / Half yearly /Quarterly/ Any other- please specify) |    |    |    |    |    |    |    |    |
|----|--|--|----|----|----|----|----|----|----|----|
|    |  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| a. | Performance against above policies and follow up action  | Annually   |    |    |    |    |    |    |    |    |
| b. | Description of other committee for performance against above policies and follow up action                                 | Not Applicable   |    |    |    |    |    |    |    |    |
| c. | Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances             | Annually   |    |    |    |    |    |    |    |    |
| d. | Description of other committee for compliance with statutory requirements of relevance to the principles and rectification | Not Applicable   |    |    |    |    |    |    |    |    |

| 11 | Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). | P1 | P2   | P3                        | P4 | P5                        | P6   | P7 | P8 | P9 |
|----|---|----|--|---------------------------|----|---------------------------|--|----|----|----|
|    |   | No | Yes  | Yes                       | No | Yes                       | Yes  | No | No | No |
|    | If yes, provide name of the agency.   | -  | LMS certification limited, Hohenstein certification Ltd., Global Recycled certification. Global organic textile std. | LMS Certification Limited |    | LMS Certification Limited | LMS certification limited, Hohenstein certification Ltd., Global Recycled certification. Global organic textile std. |    |    |    |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

| 12 | If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:                  | P1 | P2 | P3 | P4 | P5 | P6 | P7  | P8 | P9 |
|----|---|----|----|----|----|----|----|-----|----|----|
|    | 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) | -  | -  | -  | -  | -  | -  | No  | -  | -  |
|    | The entity does not have the financial or/human and technical resources available for the task (Yes/No)                         | -  | -  | -  | -  | -  | -  | No  | -  | -  |
|    | It is planned to be done in the next financial year (Yes/No)  | -  | -  | -  | -  | -  | -  | No  | -  | -  |
|    | Any other reason (please specify)   |    |    |    |    |    |    |     |    |    |

**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.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions.)

**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                | 2  | 1. Cybersecurity governance<br>2. ESG disclosures and ethical leadership  | 100%   |
| Key Managerial Personnel          | 2  | 1. Business ethics and values<br>2. Human Rights and ESG training   | 100%   |
| Employees other than BOD and KMPs | 59   | Lean Six Sigma, Power BI, Negotiation, Salesman's Management Training, Health & Safety, Social Benefits, Indirect Audits etc. | 95.21%   |
| Workers                           | 211  | Fire Safety Training, EHS training, Waste Handling Training, Chemical Handling and storage, SA 8000 Awareness Training, etc   | 80.17%   |

**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:**

| <b>Monetary</b> |                 |   |   |                   |  |
|-----------------|-----------------|---|---|-------------------|--|
| Particular      | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) (For Monetary Cases only) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine   | -               | -   | -                                       | -                 | -                                      |
| Penalty/ Fine   | -               | -   | -                                       | -                 | -                                      |
| Settlement      | -               | -   | -                                       | -                 | -                                      |
| Compounding fee | -               | -   | -                                       | -                 | -                                      |

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### Non-Monetary

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

\* Note: There have been no non-monetary cases reported during the current reporting year.

### 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 |
|----------------|---|
| Not Applicable |   |

|  |     |
|--|-----|
| <b>4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)</b>   | Yes |
| If Yes, provide details in brief.  |     |
| Our organisation upholds the highest standards of integrity and ethical behavior, guided by a strict zero-tolerance policy towards bribery and corruption. In accordance with our Code of Conduct, all directors, senior management, and employees are expressly prohibited from offering or accepting any form of gift, donations, payments, hospitality, or other benefits that could be interpreted as attempts to unduly influence business decisions or secure an unfair advantage. These measures reflect our strong commitment to transparent and responsible governance practices. |     |
| If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place.  |     |
| <a href="https://sangamgroup.com/investors-handbook/">https://sangamgroup.com/investors-handbook/</a> .  |     |

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

| Particular | FY 2024-25 | FY 2023-24 |
|------------|------------|------------|
| Directors  | 0          | 0          |
| KMPs       | 0          | 0          |
| Employees  | 0          | 0          |
| Workers    | 0          | 0          |

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

| Case Details   | FY 2024-25 |        | FY 2023-24 |        |
|--|------------|--------|------------|--------|
|  | Number     | Remark | Number     | Remark |
| 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

### 8. Number of days of accounts payables in the following format:

| Particular                          | FY 2024-25 | FY 2023-24 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 75         | 55         |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter                  | Metrics  | FY 2024-25 | FY 2023-24 |
|----------------------------|--|------------|------------|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases                                 | 1%         | 0.97%      |
|                            | b. Number of trading houses where purchases are made from                                | 36         | 9          |
|                            | c. Purchases from top 10 trading houses as % of total purchases from trading houses      | 91%        | 100%       |
| Concentration of Sales     | a. Sales to dealers / distributors as % of total sales                                   | 1%         | 1.01%      |
|                            | b. Number of dealers / distributors to whom sales are made                               | 59         | 77         |
|                            | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors  | 58%        | 51.72%     |
| Share of RPTs in           | a. Purchases (Purchases with related parties / Total Purchases)                          | 2%         | 1.63%      |
|                            | b. Sales (Sales to related parties / Total Sales)  | 0.44%      | 1.17%      |
|                            | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 0%         | 0%         |
|                            | d. Investments   | 33%        | 78.06%     |

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimise the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

#### Essential Indicator

### 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.

| Sr. No. | Particular | FY 2024-25 | FY 2023-24 | Details of improvements in environmental and social impacts                          |
|---------|------------|------------|------------|--|
| 1       | R&D        | 60.95%     | 69.68%     | Invested in development of various eco-design and environmentally friendly products. |
| 2       | Capex      | 0.49%      | 0.65%      | -  |

|   |  |      |
|---|--|------|
| 2 | a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) | Yes  |
|   | b. If yes, what percentage of inputs were sourced sustainably?                 | 100% |

### 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) | Our organisation recognises its environmental responsibilities and is fully committed to fulfilling its obligations under the Extended Producer Responsibility (EPR) framework for plastic waste management. We are officially registered under the EPR system, demonstrating our commitment to the safe, efficient collection, recycling, and disposal of plastic waste generated through our operations. |
| (b) | E-waste                        |  |
| (c) | Hazardous waste                |  |
| (d) | other waste                    |  |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

|    |   |  |  |
|----|---|--|--|
| 4. | a | Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)   | Yes  |
|    | b | If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? | Our waste collection approach is closely aligned with the Extended Producer Responsibility (EPR) plan, which has been officially submitted to the Pollution Control Board. In accordance with our EPR commitments, we have successfully managed plastic waste during the reporting year. To facilitate this, we partnered with a professional waste management agency to ensure efficient collection and environmentally sound disposal of plastic waste. This collaboration underscores our dedication to sustainable practices and responsible waste management. |
|    | c | If not, provide steps taken to address the same:   | Not Applicable   |

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasises the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

#### Essential Indicators

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

| Category                       | % of employees covered by |                  |           |                    |           |                    |           |                    |           |                     |           |
|--------------------------------|---------------------------|------------------|-----------|--------------------|-----------|--------------------|-----------|--------------------|-----------|---------------------|-----------|
|                                | Total<br>(A)              | Health insurance |           | Accident insurance |           | Maternity benefits |           | Paternity Benefits |           | Day Care facilities |           |
|                                |                           | Number<br>(B)    | % (B / A) | Number<br>(C)      | % (C / A) | Number<br>(D)      | % (D / A) | Number<br>(E)      | % (E / A) | Number<br>(F)       | % (F / A) |
| Permanent employees            |                           |                  |           |                    |           |                    |           |                    |           |                     |           |
| Male                           | 1,268                     | 972              | 76.66%    | 1,268              | 100%      | 0                  | 0%        | 1,268              | 100%      | 0                   | 0%        |
| Female                         | 46                        | 15               | 32.61%    | 46                 | 100%      | 46                 | 100%      | 0                  | 0%        | 46                  | 100%      |
| Total                          | 1,314                     | 987              | 75.10%    | 1,314              | 100%      | 46                 | 100%      | 1,268              | 100%      | 46                  | 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%        |

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

| Category                     | % of employees covered by |                  |              |                    |              |                    |              |                    |              |                     |           |
|------------------------------|---------------------------|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|---------------------|-----------|
|                              | Total<br>(A)              | Health insurance |              | Accident insurance |              | Maternity benefits |              | Paternity Benefits |              | Day Care facilities |           |
|                              |                           | Number<br>(B)    | % (B /<br>A) | Number<br>(C)      | % (C /<br>A) | Number<br>(D)      | % (D /<br>A) | Number<br>(E)      | % (E /<br>A) | Number<br>(F)       | % (F / A) |
| Permanent Workers            |                           |                  |              |                    |              |                    |              |                    |              |                     |           |
| Male                         | 7,510                     | 7,510            | 100%         | 7,510              | 100%         | 0                  | 0%           | 0                  | 0%           | 7,510               | 100%      |
| Female                       | 1,044                     | 1,044            | 100%         | 1,044              | 100%         | 1,044              | 100%         | 0                  | 0%           | 1,044               | 100%      |
| Total                        | 8,554                     | 8,554            | 100%         | 8,554              | 100%         | 1,044              | 100%         | 0                  | 0%           | 8,554               | 100%      |
| Other than permanent workers |                           |                  |              |                    |              |                    |              |                    |              |                     |           |
| Male                         | 1,000                     | 0                | 0%           | 1,000              | 100%         | 0                  | 0%           | 0                  | 0%           | 0                   | 0%        |
| Female                       | 151                       | 0                | 0%           | 151                | 100%         | 0                  | 0%           | 0                  | 0%           | 0                   | 0%        |
| Total                        | 1,151                     | 0                | 0%           | 1,151              | 100%         | 0                  | 0%           | 0                  | 0%           | 0                   | 0%        |

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

|   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | 0.02%      | 0.02%      |

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

| Benefits                | FY 2024-25   |  |  | FY 2023-24   |  |  |
|-------------------------|--|--|--|--|--|--|
|                         | 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                      | 96.50%   | 98.30%   | Yes  | 95%  | 96.82%   | Yes  |
| Gratuity                | 100%   | 98.00%   | Yes  | 100%   | 100%   | Yes  |
| ESI                     | 36.80%   | 89.70%   | Yes  | 44%  | 93.41%   | Yes  |
| Others – please specify | -  | -  | -  | -  | -  | -  |

3. Accessibility of workplaces:

|   |    |
|---|----|
| 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? | No |
|---|----|

If not, whether any steps are being taken by the entity in this regard.

Our premises and offices are currently not fully accessible to employees and workers with disabilities, as mandated by the Rights of Persons with Disabilities Act, 2016. However, Sangam Group is dedicated to fostering inclusivity and equal opportunities for all. We actively recruit differently abled individuals and make sure they are placed in work environments that are accessible and conducive to their needs.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

Weblink: <https://sangamgroup.com/investors-handbook>

Our organisation is dedicated to upholding the principles of equal opportunity for all. We are committed to fostering an inclusive and diverse work environment where everyone has an equal opportunity to succeed, regardless of their caste, color, religion, disability, gender, national origin, sex, age, or any other attribute.

We uphold fairness, respect, dignity, and equal opportunity in all our policies and practices. These values shape everything we do, from recruitment and hiring to promotions, training, benefits, and terminations.

We consistently work towards creating a safe, inclusive, and equitable workplace where every individual feels valued, respected, and empowered. Our commitment to this vision remains steadfast and serves as the foundation of our workplace culture.

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              |
| <b>Total</b> | <b>0</b>            | <b>0</b>       | <b>0</b>            | <b>0</b>       |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 6. 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.

| Category                       | Yes/No | If Yes, then give details of the mechanism in brief  |
|--------------------------------|--------|--|
| Permanent Workers              | Yes    | At Sangam India Limited, we place great importance on every concern raised by our employees. To ensure all grievances are handled promptly and effectively, we have implemented a comprehensive three-tier grievance redressal system.   |
| Other than Permanent Workers   | Yes    |  |
| Permanent Employees            | Yes    | <p>If an employee has a grievance, they may report it to any of the following contacts:</p> <ol style="list-style-type: none"> <li>1. Immediate Supervisor or Head of Department (HOD)</li> <li>2. Plant HR Head or Plant Head</li> <li>3. Function Head or Business Head (FH/BH)</li> </ol> <p>If the concern remains unresolved or the resolution is unsatisfactory, the employee may escalate the issue through the following grievance redressal pathway:</p> <ol style="list-style-type: none"> <li>1. Supervisor or Floor In-Charge</li> <li>2. Head of Department</li> <li>3. Worker Representative</li> <li>4. Grievance Redressal Committee</li> <li>5. Managing Director</li> </ol> <p>We are committed to ensuring that every grievance is either resolved or appropriately escalated within 7 days of being raised at any level of the three-tier mechanism. This structured approach guarantees that employee issues are managed in a timely and fair manner.</p> <p>In addition, our HR Department conducts a quarterly review of all grievances reported over the preceding three months. The goal of this review is to identify recurring concerns among employees and develop targeted action plans to address and prevent such issues in the future.</p> |
| Other than Permanent Employees | Yes    |  |

### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category                         | FY 2024-25   |  |           | FY 2023-24  |  |           |
|----------------------------------|--|--|-----------|---|--|-----------|
|                                  | 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)   |
| <b>Total Permanent employees</b> | <b>1,314</b>   | <b>0</b>   | <b>0%</b> | <b>1,431</b>  | <b>0</b>   | <b>0%</b> |
| Male                             | 1,268  | 0  | 0%        | 1,396   | 0  | 0%        |
| Female                           | 46   | 0  | 0%        | 35  | 0  | 0%        |
| <b>Total Permanent Workers</b>   | <b>8,554</b>   | <b>0</b>   | <b>0%</b> | <b>8,741</b>  | <b>0</b>   | <b>0%</b> |
| Male                             | 7,510  | 0  | 0%        | 7,862   | 0  | 0%        |
| Female                           | 1,044  | 0  | 0%        | 879   | 0  | 0%        |



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**
**8. Details of training given to employees and workers:**

| Category  | FY 2024-25   |                                  |           |                         |           | FY 2023-24   |                                  |           |                         |           |
|-----------|--------------|----------------------------------|-----------|-------------------------|-----------|--------------|----------------------------------|-----------|-------------------------|-----------|
|           | Total<br>(A) | On Health and<br>Safety Measures |           | On Skill<br>Upgradation |           | Total<br>(D) | On Health and<br>Safety Measures |           | On Skill<br>Upgradation |           |
|           |              | Number<br>(B)                    | % (B / A) | Number<br>(C)           | % (C / A) |              | Number<br>(E)                    | % (E / D) | Number<br>(F)           | % (C / D) |
| Employees |              |                                  |           |                         |           |              |                                  |           |                         |           |
| Male      | 1,268        | 1,268                            | 100%      | 1,268                   | 100%      | 1,396        | 1,396                            | 100%      | 1,396                   | 100%      |
| Female    | 46           | 46                               | 100%      | 46                      | 100%      | 35           | 35                               | 100%      | 35                      | 100%      |
| Total     | 1,314        | 1,314                            | 100%      | 1,314                   | 100%      | 1,431        | 1,431                            | 100%      | 1,431                   | 100%      |
| Workers   |              |                                  |           |                         |           |              |                                  |           |                         |           |
| Male      | 7,510        | 7,510                            | 100%      | 7,510                   | 100%      | 7,862        | 7,862                            | 100%      | 7,862                   | 100%      |
| Female    | 1,044        | 1,044                            | 100%      | 1,044                   | 100%      | 879          | 879                              | 100%      | 879                     | 100%      |
| Total     | 8,554        | 8,554                            | 100%      | 8,554                   | 100%      | 8,741        | 8,741                            | 100%      | 8,741                   | 100%      |

Note - Disclosure is provided for both permanent employees and workers.

**9. Details of performance and career development reviews of employees and worker:**

| Category         | FY 2024-25   |              |               | FY 2023-24   |              |               |
|------------------|--------------|--------------|---------------|--------------|--------------|---------------|
|                  | Total (A)    | No. (B)      | % (B / A)     | Total (D)    | No. (E)      | % (E / D)     |
| <b>Employees</b> |              |              |               |              |              |               |
| Male             | 1,268        | 1,173        | 92.50%        | 1,396        | 1,347        | 96.49%        |
| Female           | 46           | 42           | 91.30%        | 35           | 31           | 88.57%        |
| <b>Total</b>     | <b>1,314</b> | <b>1,215</b> | <b>92.50%</b> | <b>1,431</b> | <b>1,378</b> | <b>96.29%</b> |
| <b>Workers</b>   |              |              |               |              |              |               |
| Male             | 7,510        | 7,498        | 99.84%        | 7,862        | 6,327        | 80.49%        |
| Female           | 1,044        | 1,044        | 100%          | 879          | 677          | 77.02%        |
| <b>Total</b>     | <b>8,554</b> | <b>8,542</b> | <b>99.86%</b> | <b>8,741</b> | <b>7,004</b> | <b>80.18%</b> |

Note - Disclosure is provided for both permanent employees and workers.

**10. Health and safety management system**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes

If Yes, the Coverage such systems?

- We have established policies that establish the organisation's commitment to health and safety.
- We have conducted risk assessments within our organisation, identified risks that may arise due to vulnerabilities, and mitigated risks/hazards from work site areas.
- Investigation and Corrective Action: - We monitor performance, investigate incidents, and implement corrective action.
- Training and qualifications: - We ensure that employees are adequately trained and able to perform their jobs safely. and, We provided periodically health and safety training for safety awareness.
- Emergency Preparedness: We have prepared and developed emergency response plans across our organisation.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have implemented HIRA (Hazard Identification and Risk Assessment) to systematically identify work-related hazards and assess associated risks on both routine and non-routine activities carried out by the entity.

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- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)

Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

\*Note: \*We have established a safety committee to report risks and hazards as per the factory act 41G. The EHS Committee, meeting quarterly, is vital in continuously evaluating and addressing work-related hazards and we provided suggestion boxes for work-related hazard & risk.

\*\* 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:

- 1- Conduct Free Health Check-up Camps
- 2- Conduct Free Eye Checkup Camps
- 3-Conduct Free Blood Pressure and Diabetes Checkup Camps etc.
- 4-The organisation has an OHSE centre (dispensary).

### 11. Details of safety related incidents, in the following format:

| Safety Incident/Number  | Category* | FY 2024-25 | FY 2023-24 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked) | Employees | 0          | 4.86       |
|   | Workers   | 0.38       | 0          |
| Total recordable work-related injuries  | Employees | 0          | 2          |
|   | Workers   | 10         | 0          |
| No. of fatalities   | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |
| High-consequence work-related injury or ill health (excluding fatalities)     | Employees | 0          | 0          |
|   | Workers   | 0          | 0          |

\*Including in the contract workforce

### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Our organisation is committed to maintaining a safe and healthy work environment through a comprehensive Environmental Health and Safety (EHS) Policy, accessible to all employees. We actively implement Hazard Identification and Risk Assessment (HIRA) processes to identify and evaluate risks associated with both routine and non-routine operations.

To manage these risks effectively, we follow the hierarchy of controls, including Elimination, Substitution, Engineering Controls, Administrative Controls, and use of Personal Protective Equipment (PPE).

We ensure that all employees receive appropriate safety training, are equipped with necessary tools and resources, and are encouraged to proactively report hazards. These efforts are supported by our strong culture of safety, well-being, and continuous improvement.

### 13. Number of Complaints on the following made by employees and workers:

| Particulars        | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | 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 | 30                    | 0                                     | -       | 3                     | 0                                     | -       |
| Health & Safety    | 38                    | 0                                     | -       | 2                     | 0                                     | -       |

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### 14. Assessment for the year:

| Particulars                 | % of your plants and offices that were assessed<br>(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.

We conduct daily plant safety inspections to proactively identify and assess hazards and risks across our operations. Upon identification, corrective actions are implemented within stipulated timelines to prevent any escalation.

As part of our recent safety review, we identified a high fire risk in our mills. In response, we initiated a plan to install MOD-type fire sprinkler systems and a centralised fire alarm system throughout the facility. These advanced systems are designed for rapid response and effective fire suppression, significantly reducing the risk of property damage and enhancing employee safety.

### **PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

### **Essential Indicators**

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

At SIL, stakeholder identification and prioritisation are foundational to our strategic planning. We employ a comprehensive, structured approach based on key criteria:

- **Impact and Influence:** We prioritise stakeholders based on their direct or indirect impact on our business and their ability to influence our operations, ensuring responsiveness to those with vested interests in our performance.
- **Business Dependency and Criticality:** Stakeholders are assessed based on their reliance on our business and their critical role in our operations, allowing us to foster relationships essential to our long-term success and sustainability.
- **Stakeholder Inclusivity:** We actively seek input from stakeholders of all scales and influence, ensuring a broad range of perspectives and expectations are incorporated into our planning.
- **Top Management Insights:** Senior leadership across departments plays a crucial role in identifying key stakeholders, leveraging their insights and experience to manage vital relationships.
- **Managing Conflicts and Risks:** Early identification of stakeholders enables us to anticipate and mitigate potential conflicts or risks, protecting our business interests.
- **Peers and Sector Engagement:** We engage with stakeholders from peer organisations and the broader industry to stay aligned with evolving trends, regulatory expectations, and best practices, ensuring our strategies are current and relevant.

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### 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 & Marginalised Group | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify) | 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"> <li>• Clear and timely reporting.</li> <li>• Focus on enhancing market capitalisation and generating free cash flow.</li> <li>• Achieve sustainable, profitable growth.</li> </ul>  |
| State Pollution control board | No  | Face to face meeting. Emails: letters Online access to PCB portal   | Continuous Basis   | <ul style="list-style-type: none"> <li>• Ensuring compliance.</li> <li>• Addressing policy-related issues.</li> <li>• Managing water and wastewater.</li> <li>• Overseeing environmental management.</li> </ul>  |
| Inspectorate of factories     | No  | Face-to-face meetings. ~  | As & When required   | <ul style="list-style-type: none"> <li>• Conducting safety audits.</li> <li>• Approving building plans.</li> <li>• Adhering to regulatory requirements.</li> </ul>   |
| Other Government agencies     | No  | Face to face meeting. Emails; letters   | As & When required   | <ul style="list-style-type: none"> <li>• Ensuring compliance</li> <li>• Operating with responsibility and ethical standards.</li> </ul>  |
| Employees                     | No  | Meetings in groups Engagement sessions  | Continuous basis   | <ul style="list-style-type: none"> <li>• Ongoing training and development opportunities.</li> <li>• Attractive compensation packages.</li> <li>• Workplace health and safety.</li> <li>• Commitment to quality.</li> <li>• Focus on skill enhancement.</li> <li>• Efficient production processes.</li> <li>• Systematic reward and recognition programs</li> </ul> |
| Local community               | No  | Community visits and consultations; Community needs assessment  | Continuous basis   | <ul style="list-style-type: none"> <li>• Promoting rural development, skill enhancement, and advancing education.</li> <li>• Improving healthcare and protecting the environment.</li> </ul>   |
| Supplier                      | No  | One to one meeting, Supplier assessments  | Continuous basis   | <ul style="list-style-type: none"> <li>• Ensuring supply quality, timely delivery, and efficient payment processes.</li> <li>• Managing EHS performance and upholding human rights, labor, and welfare standards.</li> </ul>   |
| Customer                      | No  | On-line insights; Reviews; Emails   | Spread across the year   | <ul style="list-style-type: none"> <li>• Ensuring product quality and innovative design.</li> </ul>  |
| Media                         | No  | Press briefings; Invitation to events   | As & When required   | <ul style="list-style-type: none"> <li>• Successfully launching products and adopting new approaches.</li> <li>• Conducting site-specific impact assessments.</li> </ul>   |



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### PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

#### 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:

| Benefits               | FY 2024-25   |  |               | FY 2023-24   |  |               |
|------------------------|--------------|--|---------------|--------------|--|---------------|
|                        | Total (A)    | No. of employees/<br>workers covered (B) | % (B / A)     | Total (C)    | No. of employees/<br>workers covered (D) | % (D / C)     |
| <b>Employees</b>       |              |  |               |              |  |               |
| Permanent              | 1,314        | 1,303                                    | 99.30%        | 1,431        | 1,362                                    | 95.10%        |
| Other than permanent   | 0            | 0  | 0             | 0            | 0  | 0%            |
| <b>Total Employees</b> | <b>1,314</b> | <b>1,303</b>                             | <b>99.30%</b> | <b>1,431</b> | <b>1,362</b>                             | <b>95.10%</b> |
| <b>Workers</b>         |              |  |               |              |  |               |
| Permanent              | 8,554        | 8,542                                    | 99.86%        | 8,741        | 7,362                                    | 84.41%        |
| Other than permanent   | 1,151        | 1,151                                    | 100%          | 1,101        | 487.64                                   | 44.22%        |
| <b>Total Workers</b>   | <b>9,705</b> | <b>9,693</b>                             | <b>99.87%</b> | <b>9,842</b> | <b>7,969</b>                             | <b>80.98%</b> |

2. Details of minimum wages paid to employees and workers:

| Category             | FY 2024-25 |                       |          |                        |          | FY 2023-24 |                       |          |                        |          |
|----------------------|------------|-----------------------|----------|------------------------|----------|------------|-----------------------|----------|------------------------|----------|
|                      | 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            |            |                       |          |                        |          |            |                       |          |                        |          |
| Male                 | 1,268      | 0                     | 0%       | 1,268                  | 100%     | 1,396      | 0                     | 0%       | 1,396                  | 100%     |
| Female               | 46         | 0                     | 0%       | 46                     | 100%     | 35         | 0                     | 0%       | 35                     | 100%     |
| Total                | 1,314      | 0                     | 0%       | 1,314                  | 100%     | 1,431      | 0                     | 0%       | 1,431                  | 100%     |
| Other than Permanent |            |                       |          |                        |          |            |                       |          |                        |          |
| Male                 | 0          | 0                     | 0%       | 0                      | 0%       | 0          | 0                     | 0%       | 0                      | 0%       |
| Female               | 0          | 0                     | 0%       | 0                      | 0%       | 0          | 0                     | 0%       | 0                      | 0%       |
| Total                | 0          | 0                     | 0%       | 0                      | 0%       | 0          | 0                     | 0%       | 0                      | 0%       |
| Workers              |            |                       |          |                        |          |            |                       |          |                        |          |
| Permanent            |            |                       |          |                        |          |            |                       |          |                        |          |
| Male                 | 7,510      | 0                     | 0%       | 7,510                  | 100%     | 7,862      | 0                     | 0%       | 7,862                  | 100%     |
| Female               | 1,044      | 0                     | 0%       | 1,044                  | 100%     | 879        | 0                     | 0%       | 879                    | 100%     |
| Total                | 8,554      | 0                     | 0%       | 8,554                  | 100%     | 8,741      | 0                     | 0%       | 8,741                  | 100%     |
| Other than Permanent |            |                       |          |                        |          |            |                       |          |                        |          |
| Male                 | 1,000      | 0                     | 0%       | 1,000                  | 100%     | 947        | 0                     | 0%       | 947                    | 100%     |
| Female               | 151        | 0                     | 0%       | 151                    | 100%     | 154        | 0                     | 0%       | 154                    | 100%     |
| Total                | 1,151      | 0                     | 0%       | 1,151                  | 100%     | 1,101      | 0                     | 0%       | 1,101                  | 100%     |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 3. Details of remuneration/salary/wages:

#### a. Median remuneration / wages:

| Particular                       | Male   |   | Female |   |
|----------------------------------|--------|---|--------|---|
|                                  | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BOD)         | 4      | 1,73,01,500   | 0      | 0   |
| Key Managerial Personnel         | 6      | 1,12,38,500   | 0      | 0   |
| Employees other than BOD and KMP | 1,268  | 3,56,706  | 46     | 2,79,858  |
| Workers                          | 7,498  | 1,49,340  | 1,044  | 1,43,712  |

Note:

- i. The remuneration of the Board of Directors (BOD) includes the remuneration paid to Executive Directors but excludes commission and/or sitting fees paid to directors. Non-Executive and Independent Directors are excluded, as they do not receive any remuneration.

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| Particulars                                     | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 7.91%      | 8.31%      |

#### 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

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues:

Sangam remains deeply committed to fostering a healthy and inclusive work environment where all employees can thrive free from prejudice, gender bias, sexual harassment, exploitation, or intimidation. To uphold this commitment, we have established dedicated committees and structured mechanisms.

Our Internal Complaints Committee is responsible for addressing harassment-related grievances at our plant locations, ensuring a safe, respectful, and just workplace. In addition, our Grievance Redressal Committee and Works Committee focus on resolving other concerns related to plant operations.

To ensure timely and effective resolution, our grievance process follows a clearly defined structure:

- Grievances are first reported to the immediate Supervisor or Floor In-Charge.
- If not resolved, the issue is escalated to the Head of the Department.
- Worker Representatives may be engaged when necessary.
- Ongoing concerns are taken up by the Grievance Redressal Committee.
- If required, the matter is escalated to the Managing Director.

This systematic approach promotes transparency, fairness, and prompt action, reinforcing our commitment to protecting human rights and maintaining a respectful, equitable workplace for all.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 6. Number of Complaints on the following made by employees and workers:

| Particulars                        | FY 2024-25            |                                       |         | FY 2023-24            |                                       |         |
|------------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                    | 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                              | 61                    | 0                                     | -       | 45                    | 0                                     | -       |
| Other human rights related issues  | 0                     | 0                                     | -       | 0                     | 0                                     | -       |

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| Particulars   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0          | 0          |
| Complaints on POSH as a % of female employees / workers   | 0          | 0          |
| Complaints on POSH upheld   | 0          | 0          |

### 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Sangam is fully dedicated to fostering a supportive and empowering work environment where all employees can excel without fear of prejudice, gender discrimination, sexual harassment, exploitation, or intimidation.

To uphold this commitment, we have established an Internal Complaints Committee, also referred to as the Anti-Sexual Harassment Committee, specifically tasked with handling and resolving harassment-related grievances at our plant locations. This committee plays a vital role in maintaining a safe, respectful, and equitable workplace.

Key responsibilities of the committee include:

- Promptly receiving and acknowledging workplace sexual harassment complaints.
- Conducting unbiased and thorough investigations in accordance with established protocols to assess the validity of each complaint.
- Submitting detailed findings and actionable recommendations to guide management decisions.
- Working closely with management to implement suitable corrective or disciplinary actions based on the outcomes of investigations.
- Ensuring complete confidentiality throughout the process to protect the privacy and rights of all individuals involved.
- Submitting detailed annual reports to keep the organisation informed and to continuously strengthen workplace safety measures.

Our unwavering commitment to employee well-being and safety drives us to address all concerns swiftly and effectively, ensuring a workplace culture rooted in respect and fairness.

### 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes

\*Note: Human rights requirement form part of our business agreement and contracts.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 10. Assessments for the year:

| Name of the Assessment      | % of your plants and offices that were assessed<br>(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     | -  |

### 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No corrective action is needed to mitigate the significant risks identified in the assessment.

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasises the importance of environmental stewardship. Companies should minimise their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

#### Essential Indicators

### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter  | FY 2024-25<br>(in Giga Joules) | FY 2023-24<br>(in Giga Joules) |
|--|--------------------------------|--------------------------------|
| From renewable sources   |                                |                                |
| Total electricity consumption (A)  | 71,709.91                      | 72,618.37                      |
| Total fuel consumption (B)   | 94,669.69                      | -                              |
| Energy consumption through other sources (C.)  | -                              | -                              |
| Total energy consumed from renewable sources (A+B+C)   | 1,66,379.60                    | 72,618.37                      |
| From non-renewable sources   |                                |                                |
| Total electricity consumption (D)  | 10,44,241.79                   | 10,86,591.09                   |
| Total fuel consumption (E)   | 17,32,602.50                   | 21,60,408.86                   |
| Energy consumption through other sources (F)   |                                | -                              |
| Total energy consumed from non-renewable sources (D+E+F)   | 27,76,844.29                   | 32,46,999.95                   |
| Total energy consumed (A+B+C+D+E+F)  | 29,43,223.89                   | 33,19,618.32                   |
| Energy intensity per rupee of turnover<br>[Total energy consumed (in GJ) / Revenue from operations (in rupees)]  | 0.00010352                     | 0.00012463                     |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>[Total energy consumed (in GJ)/ Revenue from operations in rupees adjusted for PPP] | 0.00213883                     | 0.00251996                     |
| Energy intensity in terms of physical output<br>[Total energy consumed (in GJ) / <mention the physical output details>]  |                                | -                              |
| Energy intensity (optional) – the relevant metric may be selected by the entity  |                                |                                |
| <b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?</b>  |                                | No                             |
| <b>If yes, name of the external agency.</b>  | -                              |                                |

\*Sangam produces a wide variety of products such as yarn, denim, and garments. Given the diverse nature of these products, applying a standard unit of measurement is not practical. As a result, determining physical intensity— which generally depends on a uniform unit— is not feasible in this scenario.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)**
**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? (Yes/No)**

No

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.

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter   | FY 2024-25      | FY 2023-24      |
|---|-----------------|-----------------|
| Water withdrawal by source (in kilolitres)  |                 |                 |
| (i) Surface water   | -               | -               |
| (ii) Groundwater  | 6,67,826        | 4,83,830        |
| (iii) Third party water   | 7,370           | -               |
| (iv) Seawater / desalinated water   | -               | -               |
| (v) Others  | -               | -               |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>   | <b>6,75,196</b> | <b>4,83,830</b> |
| <b>Total volume of water consumption (in kilolitres)</b>  | <b>6,75,196</b> | <b>4,83,830</b> |
| <b>Water intensity per rupee of turnover</b><br>[Total water consumption (in KL) / Revenue from operations (in rupees)]   | 0.00002375      | 0.00001816      |
| <b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>[Total water consumption (in KL) / Revenue from operations in rupees adjusted for PPP] | 0.00049066      | 0.00036728      |
| <b>Water intensity in terms of physical output</b><br>[Total water consumption (in KL) / <mention the physical output details>]   | -               | -               |
| <b>Water intensity (optional) – the relevant metric may be selected by the entity</b>   | -               | -               |
| <b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)</b>  |                 | No              |
| <b>If yes, name of the external agency.</b>   | -               |                 |

\* We have recycled 59.47% of the total water withdrawn.

**4. Provide the following details related to water discharged:**

| Parameter   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) |            |            |
| <b>(i) To Surface water</b>   |            |            |
| No treatment  | -          | -          |
| With treatment – please specify level of treatment                    | -          | -          |
| <b>(ii) To Groundwater</b>  |            |            |
| No treatment  | -          | -          |
| With treatment – please specify level of treatment                    | -          | -          |
| <b>(iii) To Seawater</b>  |            |            |
| No treatment  | -          | -          |
| With treatment – please specify level of treatment                    | -          | -          |



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

| Parameter   | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| <b>(iv) Sent to third-parties</b>   |            |            |
| No treatment  | -          | -          |
| With treatment – please specify level of treatment  | -          | -          |
| <b>(v) Others</b>   |            |            |
| No treatment  | -          | -          |
| With treatment – please specify level of treatment  | -          | -          |
| <b>Total water discharged (in kilolitres)</b>   |            |            |
| <b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)</b> |            | No         |
| <b>If yes, name of the external agency.</b>   | -          |            |

### 5. Has the entity implemented a mechanism for Zero Liquid Discharge?

If yes, provide details of its coverage and implementation.

Yes, we have installed three Effluent Treatment Plants (ETPs) and four Sewage Treatment Plants (STPs) across our manufacturing units, all of which are maintained regularly to ensure optimal performance.

Our Spinning Unit is equipped with an ETP, a Reverse Osmosis (RO) system to further treat ETP-processed water, and a Multiple Effect Evaporator (MEE) to manage the RO reject water. We maintain comprehensive records of chemical usage, water treatment volumes, and other critical data. These records, along with the operational logs from our ETPs and STPs, are routinely reviewed by the concerned department to ensure compliance and accuracy.

Moreover, the ETPs and STPs are operated by trained and experienced personnel who oversee their efficient functioning.

It is important to highlight that, except for the Sareri plant, all our facilities adhere to the zero liquid discharge principle, reflecting our strong commitment to environmentally sustainable and responsible operations.

### 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter   | Please specify unit  | FY 2024-25 | FY 2023-24 |
|---|--|------------|------------|
| NOx   | mg/Nm <sup>3</sup>   | 210        | 220        |
| SOx   | mg/Nm <sup>3</sup>   | 320        | 325        |
| Particulate matter (PM)   | mg/Nm <sup>3</sup>   | 58         | 88.88      |
| Persistent organic pollutants (POP)   | -  | -          | -          |
| Volatile organic compounds (VOC)  | -  | -          | -          |
| Hazardous air pollutants (HAP)  | -  | -          | -          |
| Others – please specify   | -  | -          | -          |
| <b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)</b> |  |            | Yes        |
| <b>If yes, name of the external agency.</b>   | RPCB conducts the periodic monitoring for the other GHG emissions. |            |            |

### 7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter  | Unit   | FY 2024-25  | FY 2023-24  |
|--|--|-------------|-------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent                        | 1,49,493.55 | 2,29,998.90 |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent                        | 2,10,878.83 | 2,16,110.89 |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b><br>[Total Scope 1 and Scope 2 GHG emissions (in MTCO <sub>2</sub> e) / Revenue from operations (in rupees)] | Metric tonnes of CO <sub>2</sub> equivalent per rupees of turnover | 0.00001268  | 0.00001675  |

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

| Parameter   | Unit   | FY 2024-25 | FY 2023-24  |
|---|--|------------|-------------|
| <b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>[Total Scope 1 and Scope 2 GHG emissions (in MTCO <sub>2</sub> e) / Revenue from operations in rupees adjusted for PPP] | Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP | 0.00026188 | 0.000338647 |
| <b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b><br>[Total Scope 1 and Scope 2 GHG emissions (in MTCO <sub>2</sub> e) / <mention the physical output details>]   |  | -          | -           |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity   |  | -          | -           |
| <b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)</b>   |  |            |             |
| <b>If yes, name of the external agency.</b>   |  |            | -           |

Note: \*Source of emission factors used - EPA's GHG Emission Factors Hub, CEA's CDM - CO<sub>2</sub> Baseline Database User Guide Version 20 has been used for the purpose of GHG Emissions calculations.

We have successfully mitigated approximately 14,481.42 tonnes of CO<sub>2</sub> emissions by generating electricity from renewable energy sources & 19,386.61 tonnes of CO<sub>2</sub> emissions by Agricultural Byproducts & Wood.

### 8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

**If Yes, then provide details.**

SIL has undertaken a series of initiatives to reduce greenhouse gas (GHG) emissions:

1. **Rooftop Solar Power Plants:** We have installed 17 MW of rooftop solar power capacity across various manufacturing units in Rajasthan. These installations generate clean, renewable energy, reducing our dependence on fossil fuels and lowering GHG emissions.
2. **Biomass Co-generation Thermal Power Plant:** We are in the process of setting up a biomass-based thermal power plant that will produce both power and steam, significantly decreasing our carbon footprint.
3. **Wind Energy Turbine:** A 5 MW wind turbine has been installed to contribute to green energy generation at the national level.

In addition, SIL has implemented multiple energy efficiency measures:

- **Condensing Turbine Conversion:** A 6 MW condensing turbine was converted into a backpressure turbine, improving energy efficiency and reducing consumption.
- **Reduction of Compressed Air Leaks:** Addressing compressed air leakages has helped us reduce energy loss and enhance overall system efficiency.
- **WCS Duct Modification:** Modifications made to the WCS duct have resulted in lower power usage and increased efficiency.
- **Auto Coner Machine Speed Optimisation:** We optimised the speed of suction fan motors in auto coner machines, leading to energy savings.
- **Installation of Variable Frequency Drives (VFDs):** VFDs were installed to improve motor efficiency and regulate speed based on operational demand.
- **Transition to LED Lighting:** Traditional lighting has been replaced with energy-saving LED lights across our facilities.
- **Solar Street Lighting:** We have installed solar-powered streetlights, further utilising renewable energy for outdoor illumination.

These actions underscore our strong commitment to reducing GHG emissions and energy consumption. By leveraging renewable energy, streamlining operations, and integrating energy-efficient technologies, SIL is actively working to minimise its environmental footprint and support a more sustainable future.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 9. Provide details related to waste management by the entity, in the following format:

| Parameter   | FY 2024-25       | FY 2023-24       |
|---|------------------|------------------|
| <b>Total Waste generated (in metric tonnes)</b>   |                  |                  |
| Plastic waste (A)   | 71.7212          | 333.11           |
| E-waste (B)   | 1.8039           | 0.91             |
| Bio-medical waste (C)   | -                | -                |
| Construction and demolition waste (D)   | 0.50             | -                |
| Battery waste (E)   | 1.32             | 2.46             |
| Radioactive waste (F)   | -                | -                |
| Other Hazardous waste. Please specify, if any. (G)  | 14,633.82        | 3,006.91         |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)   | 9,320.30         | 11,056.61        |
| Manufacturing waste- Yarn, Rope, cotton waste (in MT)   | 0.04             | 1596.55          |
| Scrap (in MT)   | -                | -                |
| Other waste- Rubber, Wax, Wooden waste, paper waste, etc (in MT)  | 1.21             | 383.40           |
| Fly Ash (in MT)   | 9,319            | 9076.65          |
| Sludge (in MT)  | -                | -                |
| <b>Total (A+B + C + D + E + F + G + H)</b>  | <b>24,029.46</b> | <b>14,400.00</b> |
| <b>Waste intensity per rupee of turnover</b><br>[Total waste generated (in MT) / Revenue from operations (in rupees)]   | 0.00000085       | 0.00000054       |
| <b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b><br>Total waste generated (in MT) / Revenue from operations in rupees adjusted for PPP | 0.00001746       | 0.00001093       |
| <b>Waste intensity in terms of physical output</b> Total waste generated (in MT) / <mention the physical output details>  | 0.27981904       | -                |
| <b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity   | -                | -                |

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

| Category of waste               | FY 2024-25      | FY 2023-24       |
|---------------------------------|-----------------|------------------|
| (i) Recycled                    | 21.49           | 221.04           |
| (ii) Re-used                    | -               | 1.32             |
| (iii) Other recovery operations | 9,386.53        | 11,424.16        |
| <b>Total</b>                    | <b>9,408.02</b> | <b>11,646.52</b> |

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

| Category of waste               | FY 2024-25       | FY 2023-24      |
|---------------------------------|------------------|-----------------|
| (i) Incineration                | 11,145.84        | 2,005.91        |
| (ii) Landfilling                | 3,464.46         | 747.53          |
| (iii) Other disposal operations | 9.28             | -               |
| <b>Total</b>                    | <b>14,619.58</b> | <b>2,753.44</b> |

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No

If yes, name of the external agency.

-

Note: Closing stock of E-Waste for financial year-2024-25 is 1.8039 MT will be managed in following financial Year.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 10. 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.

Improper waste and effluent management can pose serious risks to both the environment and human health. At SIL, we recognise this responsibility and are committed to managing the waste and effluent generated at our facilities in a safe and sustainable manner. Our waste management approach is guided by the principles of avoidance, reduction, and recycling.

At our manufacturing units, we produce various types of hazardous waste, including ETP sludge, used oil, empty chemical containers, and MEE salt. We strictly adhere to regulatory standards for the handling and management of hazardous waste, ensuring that scientific methods and precautionary measures are applied throughout the process.

Each plant is equipped with dedicated hazardous waste storage areas that feature impermeable flooring, proper labelling, and strict storage protocols to guarantee safe handling. All our facilities hold authorisation from the respective state pollution control board for hazardous waste management and operate in full compliance with the conditions outlined in these authorisations. We maintain all necessary documentation, such as Form 3 and Form 4, and submit them to the board as required. In addition, our hazardous waste handlers receive regular training to ensure safe and compliant disposal practices.

We also manage non-hazardous waste generated at SIL locations, including dry vegetation, canteen waste, fabric scraps, corrugated boxes, stiffener boxes, and paper waste. These materials are handled with equal diligence and scientific care. For instance, boiler ash is supplied to brick manufacturers for reuse, while dry vegetation and select canteen waste are composted on-site. Other materials, like paper and remaining canteen waste, are sent to municipal composting facilities for appropriate processing.

Through our comprehensive waste management practices, we aim to minimise environmental impact and actively support sustainability. At SIL, we are fully dedicated to responsible waste handling to help protect the planet and build a cleaner, healthier future.

### 11. 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:

| Sr. 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. |
|----------------|--------------------------------|--------------------|---|---|
| Not Applicable |                                |                    |   |   |

\*Note: Our offices and operations are not located in ecologically sensitive areas such as national parks, wildlife sanctuaries, or biodiversity hotspots.

### 12. 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 |
|-----------------------------------|----------------------|------|---|--|-------------------|
| NA                                |                      |      |   |  |                   |

\*Note: EIA of project not required for the entity in this financial year as per the applicable laws.

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

13. 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/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

| 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 |
|---|---------------------------------------|---|---------------------------------|
| we are complaint with the applicable all environmental law/ regulations/ guidelines in India. |                                       |   |                                 |

**PRINCIPLE 7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

5

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.

| Sr. No. | Name of the trade and industry chambers/ associations     | Reach of trade and industry chambers/ associations (State/National/ International) |
|---------|---|--|
| 1.      | Confederation of Indian Textile Industry (CITI) New Delhi | National   |
| 2.      | Council for Redressal & Development of Industries.        | National   |
| 3.      | Denim Manufacturers Association                           | National   |
| 4.      | The Rajasthan Textile Mill Associations, Rajasthan        | State  |
| 5.      | Mewar Chamber of Commerce & Industry, 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 is necessary regarding anti-competitive conduct by the entity, as there have been no negative rulings from regulatory authorities. |                   |                         |

**PRINCIPLE 8** Businesses should promote inclusive growth and equitable development.

(This principle emphasises the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalised groups. They should also contribute to the development of local communities and support social and economic empowerment.)

### 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) was conducted for any projects undertaken by the entity during the current reporting year.



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sr. 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 ₹) |
|--|--|-------|----------|---|--------------------------|---------------------------------------|
| The entity has not undertaken any rehabilitation or resettlement activities during the current reporting year. |  |       |          |   |                          |                                       |

### 3. Describe the mechanisms to receive and redress grievances of the community.

We have implemented a structured and responsive grievance redressal mechanism to effectively address concerns raised by community members. The process follows a clear and transparent sequence:

1. Each plant unit maintains a dedicated logbook to record all community grievances, enabling systematic documentation and resolution tracking.
2. Once a complaint is received, it is assessed and categorised based on its nature—such as cultural or heritage issues, land-related concerns, or health and safety matters. The relevant team or personnel is assigned to ensure expert handling of the issue.
3. After classification, we acknowledge the complaint by reaching out to the concerned individual, providing assurance on the action plan and expected resolution steps.
4. During resolution, we focus not only on addressing the immediate concern but also on identifying root causes to help prevent recurrence of similar issues in the future.
5. Once resolved to the complainant's satisfaction, the issue is formally closed by the community redressal manager or the responsible officer, confirming that appropriate action has been taken.
6. In cases where the complainant is not satisfied, further investigation is initiated by the redressal manager. If needed, an independent third party is brought in to facilitate a fair and impartial resolution.

Through this well-defined and empathetic process, we aim to respect community voices, uphold our social responsibility, and promote a positive and sustainable relationship with our surrounding communities.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Particular                                   | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 24.53%     | 29.71%     |
| Directly from within India                   | 88.11%     | 100%       |

### 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

| Particular   | FY 2024-25 | FY 2023-24 |
|--------------|------------|------------|
| Rural        | 100%       | 100%       |
| Semi-urban   | -          | -          |
| Urban        | -          | -          |
| Metropolitan | -          | -          |

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban/metropolitan).

### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (CONTD.)

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have robust mechanisms to manage consumer complaints and feedback, with a strong focus on customer satisfaction. We actively encourage feedback and have established dedicated communication channels, including an email address (customer@C9airwear.com) and a contact number (+91 97991 65695). These platforms enable customers to express their concerns or share their experiences, ensuring prompt resolutions and ongoing enhancement of our services.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| Particular  | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | 100%                              |
| Safe and responsible usage                                  | 100%                              |
| Recycling and/or safe disposal                              | 100%                              |

#### 3. Number of consumer complaints in respect of the following:

| Particular                     | FY 2024-25               |                                   | Remark | FY 2023-24               |                                   | Remark |
|--------------------------------|--------------------------|-----------------------------------|--------|--------------------------|-----------------------------------|--------|
|                                | 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                          | 8                        | 0                                 | -      | 8                        | 0                                 | -      |

#### 4. Details of instances of product recalls on account of safety issues:

| Particular        | Number | Reason for recall |
|-------------------|--------|-------------------|
| Voluntary recalls | 0      | -                 |
| Forced recalls    | 0      | -                 |

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<https://sangamgroup.com/cyber-security-policy/>

#### 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.

No corrective actions were necessary in relation to advertising, delivery of essential services, cybersecurity, or data privacy.

#### 7. Provide the following information relating to data breaches:

|   |                 |
|---|-----------------|
| a. Number of instances of data breaches along-with impact                                 | 0               |
| b. Percentage of data breaches involving personally identifiable information of customers | NA              |
| c. Impact, if any, of the data breaches   | Not Applicable. |

**STANDALONE FINANCIAL  
STATEMENTS  
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# INDEPENDENT AUDITORS' 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 Balance Sheet as at 31<sup>st</sup> March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of material 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 31<sup>st</sup> March, 2025, 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") as 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 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 31<sup>st</sup> March, 2025. 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  | How our audit addressed the key audit matter  |
|--|---|
| Key audit matter description   | Principal Audit Procedures  |
| <b>Capital Work In Progress (CWIP) - Rs. 17035 lakhs (Refer Note 5 to the Standalone Financial Statements)</b>   |   |
| The Company has two projects under progress for expansion of business. During the year there was addition of Rs. 12762 Lakhs to CWIP and projects of Rs. 17186 Lakhs were capitalised. | <b>Principal Audit Procedures performed</b><br>Our audit procedures included the following: <ol style="list-style-type: none"> <li>Examined the minutes of the Board of Directors' meetings to verify the approval of the expansion projects and any related decisions made during the year.</li> <li>Reviewed the terms and conditions of contracts and purchase orders issued for the CWIP projects to ensure that the work performed aligns with the agreed scope and specifications.</li> </ol> |
| Since the CWIP is of a substantial amount and material in nature, we have considered the audit of the above area to be a key audit matter for reporting purpose                        |   |

## INDEPENDENT AUDITORS' REPORT (CONTD.)

| The key audit matters | How our audit addressed the key audit matter  |
|-----------------------|---|
|                       | <ul style="list-style-type: none"> <li>iii. Conducted site visits by the audit team to physically verify the progress of the projects under progress, confirming the existence and stage of completion of the assets under construction.</li> <li>iv. Evaluated the company's processes for recording CWIP, including the review of bills submitted by contractors and vendors, and the certification process by the project team.</li> <li>v. Assessed the effectiveness of internal controls related to the issuance of contracts and purchase orders, including the identification of distinct performance obligations by the company and its contractors/vendors, ensuring compliance with Ind AS 16.</li> <li>vi. Selected a sample of contracts, vendor invoices, and bills, and compared them with the certifications by the project team. Verified subsequent payments by the accounts department against the terms of the contracts/purchase orders and approvals by authorized personnel.</li> <li>vii. Traced the payments on a test check basis with the amounts recorded in the books of account, based on certified bills, to the corresponding bank statements to confirm the accuracy and occurrence of transactions.</li> <li>viii. Evaluated whether the percentage of completion of contract costs recorded in the books corresponds to the liabilities recognized and/or payments made, including performing reconciliations where necessary.</li> <li>ix. Held discussions with the management, accounts, and finance teams to address issues and observations related to CWIP, including the allocation of pre-operative expenses (3,884 lakhs yet to be allocated,) and borrowing costs capitalized (Note 39).</li> <li>x. Assessed the adequacy of disclosures in Note 5 regarding CWIP, including the breakdown of pre-operative expenses and borrowing costs, to ensure compliance with Ind AS 16 and Schedule III of the Companies Act, 2013.</li> </ul> |

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, but does not include the

standalone financial statements, and our auditor's report 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



## INDEPENDENT AUDITORS' REPORT (CONTD.)

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 STANDALONE FINANCIAL STATEMENTS

The 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 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 Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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.

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.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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 Companies (Indian Accounting Standards) Rule, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 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) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2025 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with schedule V of the Act.
- (h) 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 31<sup>st</sup> March, 2025 on its financial position under note no. 50 of Standalone Financial Statements.
  - (ii) The Company has made provision as at 31<sup>st</sup> March 2025 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.
- (i) (a) The management has represented to us that, to the best of its knowledge and belief,

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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, 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 (2)(i)(a) and (b) contain any material misstatement.
- (j) The Dividend declared and paid by the Company during the year

- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- (b) As stated in note 62 to the standalone financial statements, the Board of Directors of the Company has recommended a dividend @ 20% on equity shares for the year, subject to the approval from the shareholders at the ensuing Annual General Meeting. The proposal for dividend is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.
- (k) Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the said software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

**For R Kabra & Co. LLP**  
**Chartered Accountants**

Firm Registration No:  
104502W/W100721

**Deepa Rathi**  
(Partner)  
Membership No:104808  
UDIN:  
25104808BMJHDL7738  
Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

**For O.P. Dad & Co**  
**Chartered Accountants**

Firm Registration No:  
002330C

**Abhishek Dad**  
(Partner)  
Membership No: 409237  
UDIN:  
25409237BMOVNS5871  
Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

# 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 that:

- (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 explanations given to us, the Company has a programme of physical verification of its property, plant and equipment so as to cover all the items in a phased manner over a period of 3 Years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. The reconciliation of the results of physical verification with the records is under process as at the year end, and accordingly, the material discrepancies, if any, will be dealt with in the books of account upon completion of the reconciliation.
- (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) Inventories have been physically verified during the year by the Management at reasonable intervals. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such physical 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) During the year the company has made investments in and provided guarantee to companies, firms, Limited Liability Partnerships or any other parties, in respect of which:
  - (A) The Company has not made any additional investments in subsidiary company during the year. The balance of investments in the subsidiary company is as under:

(Rs. In Lakhs)

| To whom  | the aggregate amount during the year | balance outstanding at the balance sheet date |
|--|--------------------------------------|---|
| Investments in equity shares of subsidiary company | NIL                                  | 3922  |

- (B) The Company has made investments during the year in companies other than subsidiaries, joint ventures and associates as per the details below:

(Rs. In Lakhs)

| To whom                    | the aggregate amount during the year | balance outstanding at the balance sheet date |
|----------------------------|--------------------------------------|---|
| Investment in Mutual Funds | 6856*                                | 7883*   |

\*Fair value as per Ind AS

## 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, the investments made, guarantees provided, and the terms and conditions of the guarantees provided are not prejudicial to the company's interest;
- (c) According to the information and explanation given to us, the company has not granted any loans to other companies, hence reporting clause under 3(iii)(c) to (f) is not applicable.
- (iv) According to the information and explanation given to us, the company has complied with requirements of section 185 and 186 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 Companies Act, 2013 and such accounts and records have been so made and maintained by the company. 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 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 in respect of (a) above that have not been deposited before appropriate authorities are as under:

| Sr. No. | Name of the statute     | Nature of dues          | Amount of disputed demand (Rs.in lakhs) |       | Period to which the amount related (F.Y) | Forum where Dispute is Pending                           |
|---------|-------------------------|-------------------------|---|-------|--|--|
|         |                         |                         | 24-25                                   | 23-24 |  |  |
| 1       | Central Excise Act 1944 | Excise Duty and penalty | 11                                      | 11    | 2015-16                                  | Commissioner of Excise and Service Tax (Appeals) Jodhpur |
| 2       | Electricity Act, 2003   | Fixed Charges Recovery  | 42                                      | 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



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED (CONTD.)

- 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;
- (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 Standalone Financial Statements etc., as required by the Indian Accounting Standards and the Companies Act, 2013
- (xiv) (a) 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) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures:
- (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

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED (CONTD.)

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:  
 25104808BMJHDL7738  
 Place: Bhilwara  
 Date: 29<sup>th</sup> May, 2025

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

**Abhishek Dad**  
 (Partner)  
 Membership No: 409237  
 UDIN:  
 25409237BMOVNS5871  
 Place: Bhilwara  
 Date: 29<sup>th</sup> May, 2025

## **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 31<sup>st</sup> March 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone 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 Standalone 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 Standalone 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

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED (CONTD.)

with reference to these Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, 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 Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2025, 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

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

**Deepa Rathi**  
 (Partner)  
 Membership No:104808  
 UDIN:  
 25104808BMJHDL7738  
 Place: Bhilwara  
 Date: 29<sup>th</sup> May, 2025

**Abhishek Dad**  
 (Partner)  
 Membership No: 409237  
 UDIN:  
 25409237BMOVNS5871  
 Place: Bhilwara  
 Date: 29<sup>th</sup> May, 2025

**STANDALONE BALANCE SHEET**AS AT 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

| Particulars   | Notes   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>   |         |                                       |                                       |
| <b>Non-Current Assets</b>   |         |                                       |                                       |
| Property, Plant & Equipment   | 3       | 1,18,857                              | 91,678                                |
| Right of Use Assets   | 4       | 303                                   | 45                                    |
| Capital Work-in-Progress  | 5       | 17,035                                | 21,459                                |
| Intangible Assets   | 6       | 197                                   | 225                                   |
| Intangible Assets under Development   | 7       | 645                                   | 288                                   |
| <b>Financial Assets</b>   |         |                                       |                                       |
| (i) Investments   | 8       | 3,997                                 | 3,997                                 |
| (ii) Other Financial Assets   | 9       | 3,585                                 | 2,733                                 |
| Other Non Current Assets  | 10      | 7,597                                 | 11,518                                |
| <b>TOTAL NON-CURRENT ASSETS</b>   |         | <b>1,52,216</b>                       | <b>1,31,943</b>                       |
| <b>Current Assets</b>   |         |                                       |                                       |
| Inventories   | 11      | 55,859                                | 65,134                                |
| <b>Financial Assets</b>   |         |                                       |                                       |
| (i) Investments   | 12      | 7,883                                 | 1,027                                 |
| (ii) Trade Receivables  | 13      | 49,975                                | 45,483                                |
| (iii) Cash and Cash equivalents   | 14      | 6                                     | 14                                    |
| (iv) Bank balances other than (iii) above   | 15      | 4,980                                 | 2,810                                 |
| (v) Other Current Financial Assets  | 16      | 3,346                                 | 6,578                                 |
| Current Tax Assets (Net)  | 17      | 461                                   | 861                                   |
| Other Current Assets  | 18      | 11,482                                | 11,772                                |
| <b>TOTAL CURRENT ASSETS</b>   |         | <b>1,33,992</b>                       | <b>1,33,679</b>                       |
| <b>TOTAL ASSETS</b>   |         | <b>2,86,208</b>                       | <b>2,65,622</b>                       |
| <b>EQUITY AND LIABILITIES</b>   |         |                                       |                                       |
| <b>Equity</b>   |         |                                       |                                       |
| Equity Share Capital  | 19      | 5,025                                 | 5,025                                 |
| Other Equity  | 20      | 95,316                                | 93,540                                |
| Share Warrants  | 21      | -                                     | -                                     |
| <b>TOTAL EQUITY</b>   |         | <b>1,00,341</b>                       | <b>98,565</b>                         |
| <b>Liabilities</b>  |         |                                       |                                       |
| <b>Non-Current Liabilities</b>  |         |                                       |                                       |
| <b>Financial Liabilities</b>  |         |                                       |                                       |
| (i) Borrowings  | 22      | 66,668                                | 56,072                                |
| (ia) Lease Liabilities  | 23      | 213                                   | -                                     |
| (ii) Other Financial Liabilities  | 24      | 86                                    | 96                                    |
| Provisions  | 25      | 2,152                                 | 1,888                                 |
| Deferred Tax Liabilities (Net)  | 26      | 4,269                                 | 3,669                                 |
| <b>TOTAL NON-CURRENT LIABILITIES</b>  |         | <b>73,388</b>                         | <b>61,725</b>                         |
| <b>Current Liabilities</b>  |         |                                       |                                       |
| <b>Financial Liabilities</b>  |         |                                       |                                       |
| (i) Borrowings  | 27      | 39,707                                | 44,340                                |
| (ia) Lease Liabilities  | 28      | 100                                   | 57                                    |
| (ii) Trade Payables (Includes Acceptances)  | 29      |                                       |                                       |
| A) Total outstanding dues of Micro enterprises and Small enterprises                      |         | 2,132                                 | 1,976                                 |
| B) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises |         | 56,737                                | 39,665                                |
| (iii) Other Financial Liabilities   | 30      | 11,060                                | 14,208                                |
| Other Current Liabilities   | 31      | 1,468                                 | 3,695                                 |
| Provisions  | 32      | 1,275                                 | 1,391                                 |
| <b>TOTAL CURRENT LIABILITIES</b>  |         | <b>1,12,479</b>                       | <b>1,05,332</b>                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |         | <b>2,86,208</b>                       | <b>2,65,622</b>                       |
| Material accounting policies and notes to financial statements                            | 1 to 63 |                                       |                                       |

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)

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

**(Dr. S. N. Modani)**  
Vice Chairman  
(DIN 00401498)

**(Anurag Soni)**  
Managing Director  
(DIN 03407094)

**(Deepa Rathi)**  
Partner  
Membership No.104808  
UDIN: 25104808BMJHDL7738

**(Abishek Dad)**  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNS5871

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

**(S. R. Dakhera)**  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025



# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

| Particulars   | Notes   | 2024-25         | 2023-24         |
|---|---------|-----------------|-----------------|
| <b>INCOME</b>   |         |                 |                 |
| Revenue from Operations   | 33      | 2,84,301        | 2,64,797        |
| Other Income  | 34      | 1,926           | 1,567           |
| <b>Total Income</b>   |         | <b>2,86,227</b> | <b>2,66,364</b> |
| <b>EXPENSES</b>   |         |                 |                 |
| Cost of Materials Consumed  | 35      | 1,67,195        | 1,53,621        |
| Purchases of Traded Goods   | 36      | 6,764           | 8,407           |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 37      | 765             | (1,502)         |
| Employee Benefits Expenses  | 38      | 25,242          | 24,677          |
| Finance Costs   | 39      | 9,210           | 6,785           |
| Depreciation and Amortisation Expense   | 40      | 10,680          | 9,091           |
| Power & Fuel  | 41      | 29,663          | 29,697          |
| Other Expenses  | 42      | 32,164          | 29,632          |
| <b>Total Expenses</b>   |         | <b>2,81,683</b> | <b>2,60,408</b> |
| <b>Profit before exceptional items and tax</b>                                |         | <b>4,544</b>    | <b>5,956</b>    |
| Exceptional Items   | 43      | 664             | 664             |
| <b>Profit before tax</b>  |         | <b>3,880</b>    | <b>5,292</b>    |
| <b>Tax Expenses</b>   |         |                 |                 |
| Current Tax   |         | 455             | 1,097           |
| Deferred Tax  |         | 588             | 414             |
| Tax Expense for Earlier Years   |         | 90              | (28)            |
| <b>Total Tax Expenses</b>   |         | <b>1,133</b>    | <b>1,483</b>    |
| <b>Profit After Tax</b>   |         | <b>2,747</b>    | <b>3,809</b>    |
| <b>Other comprehensive income</b>   | 44      |                 |                 |
| <b>Items that will not be reclassified to profit or loss</b>                  |         |                 |                 |
| Remeasurement of defined benefit plans  |         | 48              | 24              |
| Tax relating to remeasurement of defined benefit plans                        |         | (12)            | (6)             |
|   |         | <b>36</b>       | <b>18</b>       |
| <b>Items that will be reclassified to profit or loss</b>                      |         |                 |                 |
| Fair value changes on derivatives designated as cash flow hedges              |         | (2)             | (23)            |
| Tax on items that will be reclassified subsequently to Profit & Loss          |         | 0               | 6               |
|   |         | <b>(2)</b>      | <b>(17)</b>     |
| <b>Total Other Comprehensive Income for the year</b>                          |         | <b>34</b>       | <b>1</b>        |
| <b>Total Comprehensive Income for the year</b>                                |         | <b>2,781</b>    | <b>3,810</b>    |
| <b>Earnings per equity share of face value of ₹ 10 each</b>                   | 45      |                 |                 |
| Basic EPS before exceptional items  |         | 6.79            | 8.99            |
| Basic EPS after exceptional items   |         | 5.47            | 7.66            |
| Diluted EPS Before exceptional items  |         | 6.79            | 8.99            |
| Diluted EPS after exceptional items   |         | 5.47            | 7.66            |
| Material accounting policies and notes to financial statements                | 1 to 63 |                 |                 |

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)

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

**(Dr. S. N. Modani)**  
Vice Chairman  
(DIN 00401498)

**(Anurag Soni)**  
Managing Director  
(DIN 03407094)

**(Deepa Rathi)**  
Partner  
Membership No.104808  
UDIN: 25104808BMJHDL7738

**(Abishek Dad)**  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNS5871

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

**(S. R. Dakhera)**  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

**STANDALONE CASH FLOW STATEMENT**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

| Particulars   | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
|---|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                      |  |  |
| Net Profit Before Tax   | 3,880                                      | 5,292                                      |
| Adjustments for :-  |  |  |
| Depreciation and Amortisation Expense   | 10,680                                     | 9,091                                      |
| Finance Costs   | 9,210                                      | 6,785                                      |
| Bad Debts / Allowance for Doubtful Debts  | 157  | 318  |
| Advances / Provision no longer Required Written back (Net)                        | 204  | 383  |
| Consideration of Guarantee Commission   | (11)                                       | (11)                                       |
| Interest Income   | (834)                                      | (507)                                      |
| Foreign Exchange Fluctuation Gain/ (Loss) (Net)                                   | 141  | 162  |
| Mutual fund (Gain)/ Loss (Net)  | (144)                                      | (297)                                      |
| Employee Retirement Benefits  | 48   | 24   |
| Profit on Sale of Property, Plant & Equipments (Net)                              | (147)                                      | (39)                                       |
| <b>Operating Profit before working capital changes</b>                            | <b>23,184</b>                              | <b>21,201</b>                              |
| Movements in Working Capital :-   |  |  |
| (Increase) / Decrease in Inventories  | 9,275                                      | (14,175)                                   |
| (Increase) / Decrease in Trade Receivables  | (4,790)                                    | (10,727)                                   |
| (Increase) / Decrease in Other Financial Assets                                   | 3,413                                      | (1,197)                                    |
| (Increase) / Decrease in Other Assets   | (13)                                       | (1,199)                                    |
| Increase / (Decrease) in Trade Payables   | 17,228                                     | 19,226                                     |
| Increase / (Decrease) in Other Financial Liabilities                              | (2,729)                                    | 3,261                                      |
| Increase / (Decrease) in Provisions   | 146  | 933  |
| Increase / (Decrease) in Other Liabilities  | (2,227)                                    | 1,819                                      |
| <b>Cash Generated from Operations</b>   | <b>43,487</b>                              | <b>19,142</b>                              |
| Taxes Paid / (Refund) (Net)   | 145  | 1,230                                      |
| <b>Net Cash Inflow / (Out Flow) from Operating Activities</b>                     | <b>43,342</b>                              | <b>17,912</b>                              |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                      |  |  |
| Purchase of Property, Plant & Equipments (including CWIP, Capital Advances etc.)# | (31,183)                                   | (42,002)                                   |
| Sale of Property, Plant & Equipments  | 340  | 4,826                                      |
| Interest Income   | 653  | 393  |
| Investment made / Sale (Net)  | (6,711)                                    | (44)                                       |
| <b>Net Cash Inflow / (Outflow) from Investing Activities</b>                      | <b>(36,901)</b>                            | <b>(36,827)</b>                            |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                      |  |  |
| Proceeds from issue of Equity Share Capital (Including Share Premium)             | -  | 7,020                                      |
| Proceeds from issue of Share Warrant  | -  | -  |
| Proceeds from Long Term Borrowings  | 20,952                                     | 29,354                                     |
| Repayment of Long Term Borrowings   | (9,716)                                    | (5,439)                                    |
| Increase / (Decrease) in Short- Term Borrowings                                   | (5,272)                                    | (4,289)                                    |
| Finance Costs   | (9,238)                                    | (6,797)                                    |
| Fees for Corporate Guarantee (Subsidiary)   | -  | 107  |
| Dividend Paid   | (1,005)                                    | (1,010)                                    |
| <b>Net Cash Inflow / (Out Flow) from Financing Activities</b>                     | <b>(4,279)</b>                             | <b>18,946</b>                              |
| Net Increase/(Decrease) in Cash & Cash equivalents                                | 2,162                                      | 31   |
| Cash and Cash Equivalents at the Beginning  | 2,824                                      | 2,793                                      |
| <b>Cash and Cash Equivalents at the End</b>                                       | <b>4,986</b>                               | <b>2,824</b>                               |

#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 31<sup>ST</sup> MARCH, 2025 (CONTD.)

## Change in Liability arising from financing activities

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2024 | Cash Flow    | Adjustment<br>on account of<br>regrouping | As at<br>31 <sup>st</sup> March, 2025 |
|---|---------------------------------------|--------------|---|---------------------------------------|
| Borrowings - Non Current<br>(Refer Note No. 22) | 56,072                                | 11,236       | (640)                                     | 66,668                                |
| Borrowings - Current<br>(Refer Note No. 27)     | 44,340                                | (5,273)      | 640                                       | 39,707                                |
| <b>Total</b>                                    | <b>1,00,412</b>                       | <b>5,963</b> | <b>-</b>                                  | <b>1,06,375</b>                       |

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2023 | Cash Flow     | Adjustment<br>on account of<br>regrouping | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------|---|---------------------------------------|
| Borrowings - Non Current<br>(Refer Note No. 22) | 32,366                                | 23,915        | (209)                                     | 56,072                                |
| Borrowings - Current<br>(Refer Note No. 27)     | 48,420                                | (4,289)       | 209                                       | 44,340                                |
| <b>Total</b>                                    | <b>80,786</b>                         | <b>19,626</b> | <b>-</b>                                  | <b>1,00,412</b>                       |

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)

**(R. P. Soni)**

Chairman

(DIN 00401439)

**(Dr. S. N. Modani)**

Vice Chairman

(DIN 00401498)

**(Anurag Soni)**

Managing Director

(DIN 03407094)

**(Deepa Rathi)**

Partner

Membership No.104808

UDIN: 25104808BMJHDL7738

**(Abishek Dad)**

Partner

Membership No. 409237

UDIN: 25409237BMOVNS5871

**(V. K. Sodani)**

Executive Director

(DIN 00403740)

**(S. R. Dakhera)**

Chief Financial Officer

Place: Bhilwara

Date: 29<sup>th</sup> May, 2025

Place : Bhilwara

Date: 29<sup>th</sup> May, 2025

Place : Bhilwara

Date: 29<sup>th</sup> May, 2025

**STANDALONE STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025**(a) EQUITY SHARE CAPITAL**

(₹ in Lakhs)

| As at 31 <sup>st</sup> March, 2025 | Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period (refer Note no.20) |
|------------------------------------|--|--|---|---|---|
|                                    | 5,025  | -  | 5,025   | -   | 5,025   |

(₹ in Lakhs)

| As at 31 <sup>st</sup> March, 2024 | Balance at the beginning of the Previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period (refer Note no.20) |
|------------------------------------|---|--|--|--|--|
|                                    | 4,505   | -  | 4,505  | 520  | 5,025  |

**(b) OTHER EQUITY**

| Particulars                                    | Reserves and Surplus |                    |                 |   |                   | Other Comprehensive Income            | Total   |
|--|----------------------|--------------------|-----------------|---|-------------------|---------------------------------------|---------|
|  | Capital Reserve      | Securities Premium | General Reserve | Preference Share Capital Redemption Reserve | Retained Earnings | Effective Portion of Cash Flow Hedges |         |
| Balance at 1 <sup>st</sup> April 2024          | 297                  | 20,839             | 22,818          | 1,178                                       | 48,412            | (3)                                   | 93,540  |
| Profit for the year                            | -                    | -                  | -               | -   | 2,747             | -                                     | 2,747   |
| Other comprehensive income for the year        | -                    | -                  | -               | -   | 36                | (2)                                   | 34      |
| Total comprehensive income for the year        | -                    | -                  | -               | -   | 2,783             | (2)                                   | 2,781   |
| Dividends paid                                 | -                    | -                  | -               | -   | (1,005)           | -                                     | (1,005) |
| Security premium on Issue of Equity Shares     | -                    | -                  | -               | -   | -                 | -                                     | -       |
| Balance as at 31 <sup>st</sup> March 2025      | 297                  | 20,839             | 22,818          | 1,178                                       | 50,190            | (5)                                   | 95,316  |
| Balance as at 1 <sup>st</sup> April 2023       | 297                  | 11,999             | 22,818          | 1,178                                       | 45,590            | 14                                    | 81,895  |
| Profit for the year                            | -                    | -                  | -               | -   | 3,809             | -                                     | 3,809   |
| Other comprehensive income/(loss) for the year | -                    | -                  | -               | -   | 18                | (17)                                  | 1       |
| Total comprehensive income for the year        | -                    | -                  | -               | -   | 3,827             | (17)                                  | 3,810   |
| Dividends paid                                 | -                    | -                  | -               | -   | (1,005)           | -                                     | (1,005) |
| Security premium on Issue of Equity Shares     | -                    | 8,840              | -               | -   | -                 | -                                     | 8,840   |
| Balance at 31 <sup>st</sup> March 2024         | 297                  | 20,839             | 22,818          | 1,178                                       | 48,412            | (3)                                   | 93,540  |

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For and on the Behalf of the Board

For R Kabra &amp; Co LLP

Chartered Accountants

(Firm Registration No 104502W/W100721)

For O. P. Dad &amp; Co.

Chartered Accountants

(Firm Registration No 002330C)

(R. P. Soni)

Chairman

(DIN 00401439)

(Dr. S. N. Modani)

Vice Chairman

(DIN 00401498)

(Anurag Soni)

Managing Director

(DIN 03407094)

(Deepa Rathi)

Partner

Membership No.104808

UDIN: 25104808BMJHDL7738

(Abishek Dad)

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(V. K. Sodani)

Executive Director

(DIN 00403740)

(S. R. Dakhera)

Chief Financial Officer

Place: Bhilwara

Date: 29<sup>th</sup> May, 2025

Place: Bhilwara

Date: 29<sup>th</sup> May, 2025

Place: Bhilwara

Date: 29<sup>th</sup> May, 2025

# NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

## 1. GENERAL INFORMATION:

Sangam (India) Limited ("the Company"), is a public limited company domiciled in India and was incorporated on 29<sup>th</sup> 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 district Bhilwara and Soniyana in district Chittorgarh in Rajasthan and caters both the domestic and export markets.

The Company is 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 29<sup>th</sup> May, 2025.

#### 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 recognised prospectively.

#### JUDGMENTS

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

- Classification of 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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the controller.

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted price included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

## 2. MATERIAL 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 realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realised within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

#### 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 realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

### B. Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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 recognised at their cash values. For qualifying assets, borrowing costs are capitalised 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 recognised 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 derecognised when it is estimated that Company will not receive future economic benefits from its use or upon its disposal. Any gains and losses on disposal of such item of property, plant and equipment are determined by comparing the proceeds from disposal

with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

### **C. Depreciation and amortisation:**

Depreciation 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. |
|--|---|--|
| <b>Plant and Equipment and Electrical Installations:</b> |   |  |
| (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.

Capitalised 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 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 amortised on a straight line basis over the period of their expected useful lives.

### AMORTISATION

A summary of the policies applied to the intangible assets is, as follows:

| Intangible assets | Useful life Amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised 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 capitalised 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, investment property, intangible assets and investments in subsidiary company to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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 recognised 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 recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### G. Financial Instruments

#### i. FINANCIAL ASSETS

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised at fair value on initial recognition except trade receivables.

Financial assets are subsequently classified as measured at:

- Amortised 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 derecognises 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 recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised 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).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### **Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised 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 recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised 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 recognised in the Statement of Profit and Loss.

### **Derecognition**

A financial liability is derecognised 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## **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 recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising 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 recognised 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 recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss. Gains or losses



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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 recognised 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 recognised 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 amortised 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 recognised in statement of profit or loss except to the extent that it relates to an item recognised 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 recognised amounts, and it is intended to realise 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### 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, unrealised 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 recognised 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 recognised in balance sheet in respect of gratuity (unfunded) is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

### (b) Other employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

### ii. DEFINED CONTRIBUTION PLAN:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

### iii. SHORT-TERM BENEFITS:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related services are recognised in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

### 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 if any occurred on assets used in fulfilling the contract.

### P. Contingent Assets

Contingent Assets are not recognised 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 recognised 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 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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 recognised 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 recognised 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 recognised 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 recognised 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, recognises 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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 recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

### SUBSEQUENT MEASUREMENT

**Lease Liability:** Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications. **Right-of-use assets:** subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the 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 recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

### V. Share based payment / arrangements

The grant of stock options to the employees in terms of the Company's Stock Options Schemes, are measured at the grant date on fair value of the options or the average purchase price of the shares acquired by the Employee Welfare Trust from Secondary Acquisition. The Company has created a Sangam Employees Welfare Trust for implementation of the said ESOP Scheme. The Company treats the ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Any losses or expenses incurred by the trust in this regard are reimbursed by the company and recognised as expenses in the year such losses or expenses are incurred. Similarly, any losses or expenses incurred on grant of shares to the employee of subsidiary company are also recovered from the subsidiary 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

There are no standards issued after 1<sup>st</sup> April 2023 resulting into any amendments in IND AS.





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 3. PROPERTY, PLANT AND EQUIPMENT

As at 31<sup>st</sup> March, 2025

(₹ in Lakhs)

| Particulars               | Gross Carrying Amount              |               |              |                                    | Accumulated Depreciation           |               |              |                                    | Net Carrying Amount                |                                    |
|---------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|------------------------------------|
|                           | As at 31 <sup>st</sup> March, 2024 | Additions     | Disposals    | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 | Additions     | Disposals    | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| <b>Tangible Assets</b>    |                                    |               |              |                                    |                                    |               |              |                                    |                                    |                                    |
| Freehold land             | 3,995                              | 324           | -            | 4,319                              | -                                  | -             | -            | -                                  | 4,319                              | 3,995                              |
| Building                  | 32,462                             | 7,029         | -            | 39,491                             | 5,771                              | 1,173         | -            | 6,944                              | 32,547                             | 26,691                             |
| Plant and Equipment       | 87,171                             | 24,483        | 1,855        | 1,09,799                           | 36,252                             | 7,716         | 1,752        | 42,216                             | 67,583                             | 50,919                             |
| Wind Power Machines       | 874                                | -             | -            | 874                                | 767                                | -             | -            | 767                                | 107                                | 107                                |
| Electric installation     | 11,495                             | 4,033         | 57           | 15,471                             | 4,460                              | 1,003         | 38           | 5,425                              | 10,046                             | 7,035                              |
| Water supply installation | 652                                | 635           | -            | 1,287                              | 174                                | 41            | -            | 215                                | 1,072                              | 477                                |
| Furniture and fixtures    | 1,772                              | 869           | 1            | 2,640                              | 1,085                              | 156           | 1            | 1,240                              | 1,400                              | 688                                |
| Vehicles                  | 2,156                              | 262           | 139          | 2,279                              | 737                                | 229           | 69           | 897                                | 1,382                              | 1,419                              |
| Office equipments         | 138                                | 13            | -            | 151                                | 87                                 | 15            | -            | 102                                | 49                                 | 51                                 |
| Computers                 | 777                                | 162           | 1            | 938                                | 524                                | 104           | 1            | 627                                | 311                                | 253                                |
| <b>Leased Assets</b>      |                                    |               |              |                                    |                                    |               |              |                                    |                                    |                                    |
| Leasehold land            | 50                                 | -             | -            | 50                                 | 8                                  | 1             | -            | 9                                  | 41                                 | 42                                 |
| <b>Total</b>              | <b>1,41,542</b>                    | <b>37,810</b> | <b>2,053</b> | <b>1,77,299</b>                    | <b>49,864</b>                      | <b>10,438</b> | <b>1,861</b> | <b>58,442</b>                      | <b>1,18,857</b>                    | <b>91,678</b>                      |

As at 31<sup>st</sup> March, 2024

(₹ in Lakhs)

| Particulars               | Gross Carrying Amount              |               |              |                                    | Accumulated Depreciation           |              |              |                                    | Net Carrying Amount                |                                    |
|---------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|--------------|--------------|------------------------------------|------------------------------------|------------------------------------|
|                           | As at 31 <sup>st</sup> March, 2023 | Additions     | Disposals    | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 | Additions    | Disposals    | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| <b>Tangible Assets</b>    |                                    |               |              |                                    |                                    |              |              |                                    |                                    |                                    |
| Freehold land             | 3,619                              | 504           | 128          | 3,995                              | -                                  | -            | -            | -                                  | 3,995                              | 3,619                              |
| Building                  | 24,390                             | 8,170         | 98           | 32,462                             | 4,835                              | 936          | -            | 5,771                              | 26,691                             | 19,555                             |
| Plant and Machinery       | 67,582                             | 24,075        | 4,486        | 87,171                             | 32,896                             | 6,623        | 3,267        | 36,252                             | 50,919                             | 34,686                             |
| Wind Power Machines       | 874                                | -             | -            | 874                                | 767                                | -            | -            | 767                                | 107                                | 107                                |
| Electric installation     | 7,966                              | 3,538         | 9            | 11,495                             | 3,714                              | 755          | 9            | 4,460                              | 7,035                              | 4,252                              |
| Water supply installation | 597                                | 55            | -            | 652                                | 149                                | 25           | -            | 174                                | 477                                | 447                                |
| Furniture and fixtures    | 1,574                              | 200           | 2            | 1,772                              | 935                                | 152          | 2            | 1,085                              | 688                                | 640                                |
| Vehicles                  | 2,302                              | 371           | 517          | 2,156                              | 896                                | 222          | 381          | 737                                | 1,419                              | 1,406                              |
| Office equipments         | 138                                | 0             | -            | 138                                | 71                                 | 16           | -            | 87                                 | 51                                 | 67                                 |
| Computers                 | 620                                | 157           | -            | 777                                | 429                                | 95           | -            | 524                                | 253                                | 191                                |
| <b>Leased Assets</b>      |                                    |               |              |                                    |                                    |              |              |                                    |                                    |                                    |
| Leasehold land            | 50                                 | -             | -            | 50                                 | 7                                  | 1            | -            | 8                                  | 42                                 | 43                                 |
| <b>Total</b>              | <b>1,09,712</b>                    | <b>37,070</b> | <b>5,240</b> | <b>1,41,542</b>                    | <b>44,699</b>                      | <b>8,825</b> | <b>3,659</b> | <b>49,864</b>                      | <b>91,678</b>                      | <b>65,013</b>                      |

### 4. RIGHT OF USE OF ASSETS

As at 31<sup>st</sup> March, 2025

(₹ in Lakhs)

| Particulars | Gross Carrying Amount              |           |           |                                    | Accumulated Depreciation           |           |           |                                    | Net Carrying Amount                |                                    |
|-------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------------------------------|
|             | As at 31 <sup>st</sup> March, 2024 | Additions | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 | Additions | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| Building    | 449                                | 389       | -         | 838                                | 404                                | 131       | -         | 535                                | 303                                | 45                                 |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

As at 31<sup>st</sup> March, 2024

(₹ in Lakhs)

| Particulars | Gross Carrying Amount              |           |           |                                    | Accumulated Depreciation           |           |           |                                    | Net Carrying Amount                |                                    |
|-------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------------------------------|
|             | As at 31 <sup>st</sup> March, 2023 | Additions | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 | Additions | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Building    | 449                                | -         | -         | 449                                | 249                                | 155       | -         | 404                                | 45                                 | 200                                |

### 5. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

|  |        |
|--|--------|
| Balance as at 1 <sup>st</sup> April, 2023  | 21,672 |
| Additions                                  | 36,354 |
| Assets Capitalised                         | 36,567 |
| Balance as at 31 <sup>st</sup> March, 2024 | 21,459 |
| Additions                                  | 12,762 |
| Assets Capitalised                         | 17,186 |
| Balance as at 31 <sup>st</sup> March, 2025 | 17,035 |

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 31 <sup>st</sup> March, 2025 | 12,762                         | 4,273     | -         | -                 | 17,035 |
| As at 31 <sup>st</sup> March, 2024 | 13,306                         | 8,153     | -         | -                 | 21,459 |

There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

### 6. INTANGIBLE ASSETS

As at 31<sup>st</sup> March, 2025

(₹ in Lakhs)

| Particulars       | Gross Carrying Amount              |           |           |                                    | Accumulated Depreciation           |           |           |                                    | Net Carrying Amount                |                                    |
|-------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------------------------------|
|                   | As at 31 <sup>st</sup> March, 2024 | Additions | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 | Additions | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| Software IT (ERP) | 680                                | 84        | -         | 764                                | 456                                | 111       | -         | 567                                | 197                                | 224                                |
| Total             | 680                                | 84        | -         | 764                                | 456                                | 111       | -         | 567                                | 197                                | 224                                |

As at 31<sup>st</sup> March, 2024

(₹ in Lakhs)

| Particulars       | Gross Carrying Amount              |           |           |                                    | Accumulated Depreciation           |           |           |                                    | Net Carrying Amount                |                                    |
|-------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------------------------------|
|                   | As at 31 <sup>st</sup> March, 2023 | Additions | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 | Additions | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Software IT (ERP) | 664                                | 16        | -         | 680                                | 345                                | 111       | -         | 456                                | 224                                | 319                                |
| Total             | 664                                | 16        | -         | 680                                | 345                                | 111       | -         | 456                                | 224                                | 319                                |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 7. INTANGIBLE ASSETS UNDER DEVELOPMENT

|  | (₹ in Lakhs) |
|--|--------------|
| Balance as at 1 <sup>st</sup> April, 2023  | 9            |
| Additions                                  | 288          |
| Assets Capitalised                         | 9            |
| Balance as at 31 <sup>st</sup> March, 2024 | 288          |
| Additions                                  | 388          |
| Assets Capitalised                         | 31           |
| Balance as at 31 <sup>st</sup> March, 2025 | 645          |

#### 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 31 <sup>st</sup> March, 2025 | 388   | 257       | -         | -                 | 645   |
| As at 31 <sup>st</sup> March, 2024 | 288   | -         | -         | -                 | 288   |

#### Break up of Pre - Operative Expenses capitalised/ deferred for capitalisation under Capital Work in Progress:

|   | (₹ in Lakhs)                       |                                    |
|---|------------------------------------|------------------------------------|
| Particulars   | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| Opening Balance   | 1,266                              | 890                                |
| Financial Charges                                       | 2,420                              | 1,525                              |
| Direct Costs Attributable to Project                    | 4,895                              | 682                                |
| Total Amount  | 8,581                              | 3,097                              |
| Less: Exp. Apportioned to Property, Plant and Equipment | 4,697                              | 1,831                              |
| Balance yet to be allocated                             | 3,884                              | 1,266                              |

Note 1:- Borrowing cost capitalised refer Note No. 39.

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No. 22 and 27.

### 8. INVESTMENTS-NON CURRENT

|   | (₹ in Lakhs)                       |                                    |
|---|------------------------------------|------------------------------------|
| Particulars                                       | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| Unquoted  |                                    |                                    |
| In Equity Instruments                             |                                    |                                    |
| (Measured at Cost)                                |                                    |                                    |
| Unquoted, fully paid up                           |                                    |                                    |
| (i) Investment in wholly owned Subsidiary Company |                                    |                                    |
| Equity Shares of ₹ 10/- each fully paid up        |                                    |                                    |
| Sangam Ventures Limited                           |                                    |                                    |
| 1,19,70,000 (Previous Year 1,19,70,000)           | 3,922                              | 3,922                              |
| TOTAL   | 3,922                              | 3,922                              |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>(ii) Investment - Others</b>                   |                                       |                                       |
| <b>Equity Shares of ₹ 10/- each fully paid up</b> |                                       |                                       |
| Kaamlo Platform Pvt Ltd                           | 75                                    | 75                                    |
| 49,999 (Previous Year 49,999)                     |                                       |                                       |
| <b>Equity Shares of ₹ 20/- each fully paid</b>    |                                       |                                       |
| AP Mahesh Co-Operative Bank Ltd.                  | -                                     | -                                     |
| 50 (Previous Year 50)                             |                                       |                                       |
| ₹ 1,000 (Previous Year ₹ 1,000)                   |                                       |                                       |
| <b>TOTAL</b>                                      | <b>75</b>                             | <b>75</b>                             |
| <b>Aggregate Amount of unquoted investments</b>   | <b>3,997</b>                          | <b>3,997</b>                          |

### 9 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Security Deposits (Unsecured, considered good)             | 3,585                                 | 2,733                                 |
| <b>TOTAL</b>   | <b>3,585</b>                          | <b>2,733</b>                          |
| Includes deposits with related parties (at amortised cost) | 1,203                                 | 1,673                                 |

### 10 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Capital Advances                               | 5,967                                 | 9,358                                 |
| <b>Advance other than capital advance</b>      |                                       |                                       |
| SIL Employees welfare trust (Refer Note No.48) | 5                                     | 0                                     |
| Prepaid Expenses (Refer Note No. 43)           | 1,625                                 | 2,160                                 |
| <b>TOTAL</b>                                   | <b>7,597</b>                          | <b>11,518</b>                         |

### 11 INVENTORIES

(₹ in Lakhs)

| Particulars                               | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Raw Materials (Includes Packing Material) | 19,374                                | 27,754                                |
| Work-in-Progress                          | 7,702                                 | 8,680                                 |
| Finished Goods (Refer Note No 11.3)       | 26,266                                | 26,052                                |
| Stock-in-trade                            | 36                                    | 51                                    |
| Stores, Spares & Fuel                     | 2,481                                 | 2,597                                 |
| <b>TOTAL</b>                              | <b>55,859</b>                         | <b>65,134</b>                         |

**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** Finished Goods includes Goods in Transit ₹ 3,733 Lakhs, Previous year ₹ 4,094 Lakhs.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 12 INVESTMENTS - CURRENT

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>Quoted</b>   |                                       |                                       |
| Investment in Mutual funds                            | 7,711                                 | 1,000                                 |
| Add: Fair value through Profit and Loss account       | 172                                   | 27                                    |
| Aggregate value of quoted investments                 | <b>7,883</b>                          | <b>1,027</b>                          |
| Aggregate value of unquoted investments               | -                                     | -                                     |
| Aggregate value of impairment in value of investments | -                                     | -                                     |
| <b>TOTAL</b>  | <b>7,883</b>                          | <b>1,027</b>                          |

### 13 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Undisputed Trade Receivables - Considered good - Unsecured                    | 49,975                                | 45,483                                |
| Undisputed Trade Receivables - which have significant increase in Credit Risk | -                                     | -                                     |
| Undisputed Trade Receivables - Credit Impaired                                | 845                                   | 666                                   |
|   | <b>50,820</b>                         | <b>46,149</b>                         |
| Less: Provision for Trade Receivables   | 845                                   | 666                                   |
| <b>TOTAL</b>  | <b>49,975</b>                         | <b>45,483</b>                         |

**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 |               |                      |              |            |            |               |
|---|--------------------------------------|---------------|----------------------|--------------|------------|------------|---------------|
|   | Not Due                              | < 6 months    | 6 months<br>- 1 year | 1-2 year     | 2-3 year   | > 3 year   | Total         |
| <b>As at 31<sup>st</sup> March, 2025</b>                                      |                                      |               |                      |              |            |            |               |
| Undisputed Trade receivables – considered good                                | -                                    | 41,500        | 6,347                | 2008         | 121        | (1)        | 49,975        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -                                    | -             | -                    | -            | -          | -          | -             |
| Undisputed Trade Receivables – credit impaired                                | -                                    | -             | -                    | 205          | 180        | 460        | 845           |
| Disputed Trade receivables – considered good                                  | -                                    | -             | -                    | -            | -          | -          | -             |
| Disputed Trade Receivables – which have significant increase in credit risk   | -                                    | -             | -                    | -            | -          | -          | -             |
| Disputed Trade Receivables – credit impaired                                  | -                                    | -             | -                    | -            | -          | -          | -             |
| <b>Total</b>  | -                                    | <b>41,500</b> | <b>6,347</b>         | <b>2,213</b> | <b>301</b> | <b>459</b> | <b>50,820</b> |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

₹ 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   |               |
| <b>As at 31<sup>st</sup> March, 2024</b>                                      |                                      |               |                   |            |            |            |               |
| Undisputed Trade receivables – considered good                                | -                                    | 43,266        | 1,739             | 388        | 90         | -          | 45,483        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -                                    | -             | -                 | -          | -          | -          | -             |
| Undisputed Trade Receivables – credit impaired                                | -                                    | -             | -                 | 235        | 134        | 297        | 666           |
| Disputed Trade receivables – considered good                                  | -                                    | -             | -                 | -          | -          | -          | -             |
| Disputed Trade Receivables – which have significant increase in credit risk   | -                                    | -             | -                 | -          | -          | -          | -             |
| Disputed Trade Receivables – credit impaired                                  | -                                    | -             | -                 | -          | -          | -          | -             |
| <b>Total</b>  | -                                    | <b>43,266</b> | <b>1,739</b>      | <b>623</b> | <b>224</b> | <b>297</b> | <b>46,149</b> |

**13.2** Above Trade Receivables are hypothecated against secured short term borrowings (Refer Note No. 27.1).

**13.3** Included in the above Receivables amount due from wholly owned subsidiary company (Refer Note No. 51).

**13.4** There are no debts due by the directors/ other officers of the Company or any firms or private companies respectively in which such directors/ other officers are partners or directors.

### 14 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars        | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------|---------------------------------------|---------------------------------------|
| Balance with Banks | 2                                     | 7                                     |
| Cash on Hand       | 4                                     | 7                                     |
| <b>TOTAL</b>       | <b>6</b>                              | <b>14</b>                             |

### 15 BANK BALANCES OTHER THAN (III) ABOVE

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Earmarked Balances with banks for Unclaimed & Unpaid Dividends <sup>#</sup> | 15                                    | 15                                    |
| Fixed Deposits with banks against Margin Money*                             | 4,965                                 | 2,795                                 |
| <b>TOTAL</b>  | <b>4,980</b>                          | <b>2,810</b>                          |

<sup>#</sup>Amount held in an earmarked bank account for unpaid dividends and is not available for use by the Company.

\*These fixed deposits are placed as a security against bank guarantees issued to various parties and against letters of credits issued by banks.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

**16 OTHER CURRENT FINANCIAL ASSETS**

(₹ in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| <b>(Unsecured considered good)</b>                                     |                                       |                                       |
| Security Deposits  | 326                                   | 276                                   |
| Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 46) | 567                                   | 1,210                                 |
| Export Incentive Receivable  | 578                                   | 1,027                                 |
| Export Growth Entitlement Receivables                                  | 108                                   | 202                                   |
| GST Refund Receivable  | 588                                   | 2,079                                 |
| Subsidy Receivable   | 578                                   | 664                                   |
| Inter Corporate Deposits - Unsecured                                   | -                                     | 502                                   |
| Usage receivable (Utility Services)                                    | -                                     | 33                                    |
| Advance to Employees   | 89                                    | 83                                    |
| Interest Receivable  | 510                                   | 329                                   |
| Accrued Income   | -                                     | 16                                    |
| Insurance and other Claim Receivable                                   | 2                                     | 157                                   |
| <b>TOTAL</b>   | <b>3,346</b>                          | <b>6,578</b>                          |

**17 CURRENT TAX ASSETS (NET)**

(₹ in Lakhs)

| Particulars                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Advance tax                    | 389                                   | 850                                   |
| TDS Receivables                | 364                                   | 300                                   |
| TCS Receivables                | 4                                     | 3                                     |
| Refund Receivables             | 159                                   | 805                                   |
| Less: Provision for income tax | (455)                                 | (1097)                                |
| <b>TOTAL</b>                   | <b>461</b>                            | <b>861</b>                            |

**18 OTHER CURRENT ASSETS**

(₹ in Lakhs)

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Recoverable from others                        | 5                                     | 25                                    |
| Advance against Supplies                       | 2,625                                 | 2,791                                 |
| SIL Employees welfare trust (Refer Note No.48) | 1,762                                 | 1,496                                 |
| GST Balances                                   | 5,607                                 | 6,384                                 |
| Excise / VAT Recoverable                       | 1                                     | 1                                     |
| Prepaid Expenses                               | 1,482                                 | 1,076                                 |
| <b>TOTAL</b>                                   | <b>11,482</b>                         | <b>11,772</b>                         |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>A. AUTHORISED SHARE CAPITAL:</b>   |                                       |                                       |
| 6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each   | 6,400                                 | 6,400                                 |
| <b>TOTAL</b>  | <b>6,400</b>                          | <b>6,400</b>                          |
| <b>Issued, Subscribed and Paid Up:</b>  |                                       |                                       |
| 5,02,46,559 (Previous Year 5,02,46,559) Equity share of ₹ 10 each fully paid up   | 5,025                                 | 5,025                                 |
| <b>TOTAL</b>  | <b>5,025</b>                          | <b>5,025</b>                          |
| 1. The Company has issued 57,00,000 share warrants of ₹ 10 each, at premium of ₹ 170 per warrant on 13 <sup>th</sup> November, 2021, in accordance with provisions of section 23 (1) (b), 42, 62(1) (c). These warrants were converted in previous year as per terms and conditions of issue. |                                       |                                       |
| On 28 <sup>th</sup> April, 2023   | -                                     | 370                                   |
| On 2 <sup>nd</sup> June, 2023   | -                                     | 150                                   |

### 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.

### C. RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE YEAR :

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| No. of Shares at the beginning   | 5,02,46,559                           | 4,50,46,559                           |
| Add: Shares Issued During the year                                     |                                       |                                       |
| (i) For consideration received in Cash on conversion of share warrants | 0                                     | 52,00,000                             |
| <b>No. of Shares at the year end</b>                                   | <b>5,02,46,559</b>                    | <b>5,02,46,559</b>                    |

### D. SHAREHOLDERS' HOLDING MORE THAN 5% SHARES IN THE COMPANY:

| Particulars                                  | As at 31 <sup>st</sup> March, 2025 |        | As at 31 <sup>st</sup> March, 2024 |        |
|--|------------------------------------|--------|------------------------------------|--------|
|  | No. of Shares                      | % held | No. of Shares                      | % held |
| <b>Name of the Shareholder</b>               |                                    |        |                                    |        |
| Sangam E-Com Limited                         | 95,67,542                          | 19.04  | 95,67,542                          | 19.04  |
| Authum Investment and Infrastructure Limited | 48,87,533                          | 9.73   | 48,60,123                          | 9.67   |
| Nidhi Mercantiles Ltd.                       | 38,28,868                          | 7.62   | 38,28,868                          | 7.62   |

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

|             |           |      |           |      |
|-------------|-----------|------|-----------|------|
| Anurag Soni | 44,38,665 | 8.83 | 44,38,665 | 8.83 |
|-------------|-----------|------|-----------|------|

## E. SHARE RESERVED FOR ISSUE UNDER OPTION AND CONTRACTS OR COMMITMENTS FOR THE SALE OF SHARE OR DISINVESTMENT, INCLUDING THE TERMS AND AMOUNT

Equity shares reserved out of unissued Equity Share Capital

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| (i) For issue to eligible employees under the Employees Share Option Scheme 2022 (ESOP 2022) |                                       |                                       |
| ESOPs granted and outstanding  |                                       |                                       |
| (a) No. of ESOP Granted during the Year  | -                                     | 1,31,500                              |
| (b) No. of ESOP Outstanding  | 2,41,800                              | 3,79,050                              |
| (c) Face Value per Equity Share (₹)  | 10                                    | 10                                    |

\*For terms & conditions refer Note No 48

## F. FOR THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE DATE AT WHICH THE BALANCE SHEET IS PREPARED

| particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| 1. Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2024  | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2023- sweat equity shares issued  | -                                     | 11,25,000                             |
| As at 31 <sup>st</sup> March, 2022  | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2021  | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2020  | -                                     | -                                     |
| 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 31<sup>ST</sup> MARCH, 2025

| Particulars        | No. of Shares as<br>at 31.03.2025 | No. of Shares as<br>at 31.03.2024 | % of total share<br>as at 31.03.2025 | % change during<br>the year |
|--------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------|
| Ram Pal Soni HUF   | 2,48,300                          | 2,48,300                          | 0.49%                                | 0%                          |
| Anjana Soni Thakur | 3,03,750                          | 3,03,750                          | 0.60%                                | 0%                          |
| Radhadevi Soni     | 9,77,761                          | 9,77,761                          | 1.95%                                | 0%                          |
| Mamta Modani       | 6,30,404                          | 6,30,404                          | 1.25%                                | 0%                          |
| Archana Sodani     | 6,10,774                          | 6,10,774                          | 1.22%                                | 0%                          |
| Antima Soni        | 3,46,050                          | 3,46,050                          | 0.69%                                | 0%                          |
| Anurag Soni        | 44,38,665                         | 44,38,665                         | 8.83%                                | 0%                          |
| Ram Pal Soni       | 21,53,950                         | 21,53,950                         | 4.29%                                | 0%                          |
| Shri Niwas Modani  | 6,24,779                          | 6,24,779                          | 1.24%                                | 0%                          |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

| Particulars                                  | No. of Shares as at 31.03.2025 | No. of Shares as at 31.03.2024 | % of total share as at 31.03.2025 | % change during the year |
|--|--------------------------------|--------------------------------|-----------------------------------|--------------------------|
| Vinod Kumar Sodani                           | 6,25,000                       | 6,25,000                       | 1.24%                             | 0%                       |
| Pranal Modani                                | 5,00,000                       | 5,00,000                       | 1.00%                             | 0%                       |
| <b>Promoters (A)</b>                         | <b>1,14,59,433</b>             | <b>1,14,59,433</b>             | <b>22.81%</b>                     |                          |
| Hawamahal Finance Pvt Ltd                    | 23,35,500                      | 23,35,500                      | 4.65%                             | 0%                       |
| Necco Shipping Company Private Ltd           | 12,74,744                      | 12,74,744                      | 2.54%                             | 0%                       |
| Neelgagan Commercial Company Ltd             | 16,00,000                      | 16,00,000                      | 3.18%                             | 0%                       |
| Sarvodaya Holdings Private Limited           | 11,27,771                      | 11,27,771                      | 2.24%                             | 0%                       |
| Sangam Fincap Limited                        | 23,16,145                      | 23,16,145                      | 4.61%                             | 0%                       |
| Sahyog Finance Limited                       | 6,32,750                       | 6,32,750                       | 1.26%                             | 0%                       |
| Sangam Suiting Pvt Ltd                       | 11,12,685                      | 11,12,685                      | 2.21%                             | 0%                       |
| Nidhi Mercantiles Ltd.                       | 38,28,868                      | 38,28,868                      | 7.62%                             | 0%                       |
| Sangam E-Com Limited                         | 95,67,542                      | 95,67,542                      | 19.04%                            | 0%                       |
| <b>Promoters Group (B)</b>                   | <b>2,37,96,005</b>             | <b>2,37,96,005</b>             | <b>47.36%</b>                     |                          |
| <b>Promoters &amp; Promoters Group (A+B)</b> | <b>3,52,55,438</b>             | <b>3,52,55,438</b>             | <b>70.16%</b>                     |                          |

### As at 31<sup>st</sup> March, 2024

| Particulars                        | No. of Shares as at 31.03.2024 | No. of Shares as at 31.03.2023 | % of total share as at 31.03.2024 | % change during the year |
|------------------------------------|--------------------------------|--------------------------------|-----------------------------------|--------------------------|
| Ram Pal Soni HUF                   | 2,48,300                       | 2,48,300                       | 0.49%                             | 0%                       |
| Anjana Soni Thakur                 | 3,03,750                       | 2,03,750                       | 0.60%                             | 49%                      |
| Radhadevi Soni                     | 9,77,761                       | 7,77,761                       | 1.95%                             | 26%                      |
| Mamta Modani                       | 6,30,404                       | 5,05,404                       | 1.25%                             | 25%                      |
| Archana Sodani                     | 6,10,774                       | 4,60,774                       | 1.22%                             | 33%                      |
| Antima Soni                        | 3,46,050                       | 2,46,050                       | 0.69%                             | 41%                      |
| Anurag Soni                        | 44,38,665                      | 38,38,665                      | 8.83%                             | 16%                      |
| Ram Pal Soni                       | 21,53,950                      | 14,53,950                      | 4.29%                             | 48%                      |
| Shri Niwas Modani                  | 6,24,779                       | 4,99,779                       | 1.24%                             | 25%                      |
| Vinod Kumar Sodani                 | 6,25,000                       | 6,25,000                       | 1.24%                             | 0%                       |
| Pranal Modani                      | 5,00,000                       | 5,00,000                       | 1.00%                             | 0%                       |
| Vinod Kumar Sodani HUF             | 0                              | 5,000                          | 0.00%                             | -100%                    |
| <b>Promoters (A)</b>               | <b>1,14,59,433</b>             | <b>93,64,433</b>               | <b>22.81%</b>                     |                          |
| Hawamahal Finance Pvt Ltd          | 23,35,500                      | 23,35,500                      | 4.65%                             | 0%                       |
| Necco Shipping Company Private Ltd | 12,74,744                      | 12,74,744                      | 2.54%                             | 0%                       |
| Neelgagan Commercial Company Ltd   | 16,00,000                      | 14,00,000                      | 3.18%                             | 14%                      |
| Sarvodaya Holdings Private Limited | 11,27,771                      | 11,27,771                      | 2.24%                             | 0%                       |
| Sangam Fincap Limited              | 23,16,145                      | 22,16,145                      | 4.61%                             | 5%                       |
| Sahyog Finance Limited             | 6,32,750                       | 2,32,750                       | 1.26%                             | 172%                     |
| Sangam Suiting Pvt Ltd             | 11,12,685                      | 11,12,685                      | 2.21%                             | 0%                       |
| Nidhi Mercantiles Ltd.             | 38,28,868                      | 38,28,868                      | 7.62%                             | 0%                       |
| Sangam E Com Limited               | 95,67,542                      | 87,67,542                      | 19.04%                            | 9%                       |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

|                                   |             |             |        |
|-----------------------------------|-------------|-------------|--------|
| Promoters Group (B)               | 2,37,96,005 | 2,22,96,005 | 47.36% |
| Promoters & Promoters Group (A+B) | 3,52,55,438 | 3,16,60,438 | 70.16% |

### 20 OTHER EQUITY

| (₹ in Lakhs)  |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| <b>Capital Reserve</b>                              |                                       |                                       |
| Balance at the beginning of the year                | 297                                   | 297                                   |
| Addition during the Financial Year                  | -                                     | -                                     |
| <b>Balance at the end of the year</b>               | <b>297</b>                            | <b>297</b>                            |
| <b>Securities Premium</b>                           |                                       |                                       |
| Balance at the beginning of the year                | 20,839                                | 11,999                                |
| Addition during the Financial Year *                | -                                     | 8,840                                 |
| <b>Balance at the end of the year</b>               | <b>20,839</b>                         | <b>20,839</b>                         |
| <b>Preference Share Capital Redemption Reserve</b>  |                                       |                                       |
| Balance at the beginning of the year                | 1,178                                 | 1,178                                 |
| Addition during the Financial Year                  | -                                     | -                                     |
| <b>Balance at the end of the year</b>               | <b>1,178</b>                          | <b>1,178</b>                          |
| <b>General Reserve</b>                              |                                       |                                       |
| Balance at the beginning of the year                | 22,818                                | 22,818                                |
| Addition during the Financial Year                  | -                                     | -                                     |
| <b>Balance at the end of the year</b>               | <b>22,818</b>                         | <b>22,818</b>                         |
| <b>Retained Earnings</b>                            |                                       |                                       |
| Balance at the beginning of the year                | 48,412                                | 45,590                                |
| Add: Profit for the year                            | 2,747                                 | 3,809                                 |
| Add: Other comprehensive income/(loss) for the year | 36                                    | 18                                    |
| Less: Appropriations                                |                                       |                                       |
| Dividend on Equity Shares (Refer Note No.20.6)      | 1,005                                 | 1,005                                 |
| <b>Balance at the end of the year</b>               | <b>50,190</b>                         | <b>48,412</b>                         |
| <b>Other Comprehensive Income</b>                   |                                       |                                       |
| Balance at the beginning of the year                | (4)                                   | 14                                    |
| Addition / (Deletion) during the year               | (2)                                   | (17)                                  |
| <b>Balance at the end of the year</b>               | <b>(6)</b>                            | <b>(4)</b>                            |
| <b>TOTAL</b>  | <b>95,316</b>                         | <b>93,540</b>                         |

\*Refer Note No. 19.

#### Nature and Purpose of Other Reserves / Other Equity

##### 20.1 CAPITAL RESERVE

Capital Reserve created on account of merger/ amalgamation. This is to be utilised for issue of fully paid bonus shares and as per provisions of the Companies Act, 2013.

##### 20.2 SECURITIES PREMIUM

Balance of Security premium consists of premium on issue of share over its face value. This is to be utilised for issue of fully paid bonus shares, buy-back of its own shares as per provisions of the Companies Act, 2013.

##### 20.3 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 utilised for issue of bonus share as per provisions of the Companies Act, 2013.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 20.4 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.

### 20.5 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).

### 20.6 DIVIDEND

The following dividends were declared and paid by the Company during the year.

| (₹ in Lakhs)  |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Dividend for the year ended 31 <sup>st</sup> March, 2024 ₹ 2 per share (31 <sup>st</sup> March, 2023 ₹ 2 per share) | 1,005                                 | 1,005                                 |
|   | <b>1,005</b>                          | <b>1,005</b>                          |

## 21 SHARE WARRANTS

| (₹ in Lakhs)  |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Balance at the beginning of the year                            | -                                     | 2,340                                 |
| Less:- Converted into fully paid Equity Share during the year * | -                                     | 2,340                                 |
| <b>Balance at the end of the year</b>                           | <b>-</b>                              | <b>-</b>                              |

\*During the previous year, warrant holders made payment of the balance 75% amount due on these warrants and exercised the option to convert 37,00,000 share warrants on 28<sup>th</sup> April, 2023 and 15,00,000 on 2<sup>nd</sup> June, 2023.

## 22 BORROWINGS

| (₹ in Lakhs)                 |                                       |                                       |
|------------------------------|---------------------------------------|---------------------------------------|
| Particulars                  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| <b>Secured</b>               |                                       |                                       |
| <b>Term Loans From Banks</b> |                                       |                                       |
| Rupee Loans                  | 66,281                                | 55,578                                |
| Vehicle Loans                | 387                                   | 494                                   |
| <b>TOTAL</b>                 | <b>66,668</b>                         | <b>56,072</b>                         |

**22.1** 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.

**22.2** Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s).

**22.3** There is no default in repayment or interest of any loans on due dates.

**22.4** The terms and conditions for repayment of loan are as under:

# NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

As at 31<sup>st</sup> March, 2025

## A) FLOATING RATE-CARRYING FLOATING INTEREST RATE 1YR MCLR+ 0% TO 0.65%

₹ in Lakhs

| Date of maturity     | Outstanding as on 31 <sup>st</sup> March, 2025 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2025 (Qtrly) |
| <b>From Banks:</b>   |  |                    |                  |  |
| 01 October 2028      | 1,305  | 1,058              | 248              | 15   |
| 01 January 2031      | 4,690  | 4,079              | 612              | 24   |
| 01 January 2031      | 3,850  | 3,250              | 600              | 25   |
| 01 January 2032      | 9,900  | 9,600              | 300              | 28   |
| 01 January 2032      | 3,700  | 3,400              | 300              | 28   |
| 01 January 2032      | 3,198  | 2,898              | 300              | 25   |
| 31 March 2032        | 6,250  | 5,800              | 450              | 28   |
| 31 March 2032        | 6,250  | 5,800              | 450              | 29   |
| 01 January 2033      | 4,755  | 4,484              | 272              | 32   |
| 01 January 2033      | 7,814  | 7,256              | 558              | 32   |
| 01 January 2033      | 2,763  | 2,513              | 250              | 32   |
| <b>Sub Total (A)</b> | <b>54,476</b>                                  | <b>50,137</b>      | <b>4,339</b>     |  |

## B) CARRYING INTEREST RATE 6 MONTH MCLR+0.05% )

₹ in Lakhs

| Particulars          | Outstanding as on 31 <sup>st</sup> March, 2025 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2025 (Qtrly) |
| <b>From Banks:</b>   |  |                    |                  |  |
| 01 January 2033      | 17,386   | 16,144             | 1,242            | 31   |
| <b>Sub Total (B)</b> | <b>17,386</b>                                  | <b>16,144</b>      | <b>1,242</b>     |  |
| <b>Total (A+B)</b>   | <b>71,862</b>                                  | <b>66,281</b>      | <b>5,581</b>     |  |

## C) VEHICLE LOANS FROM BANKS

Carrying Fixed interest rate 6.80% to 9.75%

₹ in Lakhs

| Date of maturity     | Outstanding as on 31 <sup>st</sup> March, 2025 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2025 (Qtrly) |
| From Banks           | 648  | 387                | 261              | 1-57   |
| <b>Sub Total (C)</b> | <b>648</b>                                     | <b>387</b>         | <b>261</b>       |  |
| <b>Total (A+B+C)</b> | <b>72,510</b>                                  | <b>66,668</b>      | <b>5,842</b>     |  |

As at 31<sup>st</sup> March, 2024

## A) FLOATING RATE-CARRYING FLOATING INTEREST RATE 1YR MCLR+ 0% TO 1.05%

₹ in Lakhs

| Date of maturity   | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|--------------------|--|--------------------|------------------|--|
|                    | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| <b>From Banks:</b> |  |                    |                  |  |
| 30 June 2024       | 200  | -                  | 200              | 1  |
| 01 July 2025       | 1,350  | 538                | 812              | 5  |
| 30 June 2026       | 4,315  | 2,415              | 1,900            | 9  |
| 01 October 2028    | 1,564  | 1,373              | 191              | 18   |
| 01 January 2031    | 5,047  | 4,894              | 153              | 27   |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

₹ in Lakhs

| Date of maturity     | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| 01 January 2031      | 4,450  | 3,850              | 600              | 28   |
| 01 January 2032      | 10,150   | 10,000             | 150              | 31   |
| 01 January 2032      | 2,122  | 1,972              | 150              | 31   |
| 01 January 2032      | 3,950  | 3,800              | 150              | 31   |
| 31 March 2032        | 6,649  | 6,349              | 300              | 31   |
| 31 March 2032        | 6,650  | 6,350              | 300              | 31   |
| 01 January 2033      | 3,432  | 3,432              | -                | 32   |
| 01 January 2033      | 3,225  | 3,225              | -                | 32   |
| 01 January 2033      | 127  | 127                | -                | 32   |
| <b>Sub Total (A)</b> | <b>53,231</b>                                  | <b>48,325</b>      | <b>4,906</b>     |  |

### B) CARRYING INTEREST RATE 6 MONTH MCLR+0.05%

₹ in Lakhs

| Date of maturity     | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| <b>From Banks:</b>   |  |                    |                  |  |
| 01 January 2033      | 7,253  | 7,253              | -                | 32   |
| <b>Sub Total (B)</b> | <b>7,253</b>                                   | <b>7,253</b>       | <b>-</b>         |  |
| <b>Total (A+B)</b>   | <b>60,484</b>                                  | <b>55,578</b>      | <b>4,906</b>     |  |

### C) VEHICLE LOANS FROM BANKS

Carrying Fixed interest rate 6.80% to 10.05%

₹ in Lakhs

| Date of maturity       | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|------------------------|--|--------------------|------------------|--|
|                        | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| <b>(a) From Banks:</b> |  |                    |                  |  |
| From Banks             | 790  | 494                | 296              | 2-70   |
| <b>Sub Total (C)</b>   | <b>790</b>                                     | <b>494</b>         | <b>296</b>       |  |
| <b>Total (A+B+C)</b>   | <b>61,274</b>                                  | <b>56,072</b>      | <b>5,202</b>     |  |

## 23 LEASE LIABILITIES

(₹ in Lakhs)

| Particulars                         | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
|-------------------------------------|------------------------------------|------------------------------------|
| Lease Liability (Refer Note No. 55) | 213                                | 0                                  |
| <b>TOTAL</b>                        | <b>213</b>                         | <b>0</b>                           |

## 24 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars                             | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
|---|------------------------------------|------------------------------------|
| Value of Corporate Financial Guarantee* | 86                                 | 96                                 |
| <b>TOTAL</b>                            | <b>86</b>                          | <b>96</b>                          |

\*Corporate guarantee given on behalf of the Subsidiary Company.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 25 PROVISIONS

(₹ in Lakhs)

| Particulars                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Provision for Gratuity         | 1,668                                 | 1,303                                 |
| Provision for Leave Encashment | 484                                   | 585                                   |
| <b>TOTAL</b>                   | <b>2,152</b>                          | <b>1,888</b>                          |

### 26 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| <b>Deferred Tax Assets</b>                                     |                                       |                                       |
| Accrued expenses allowable on payment basis                    | 1,019                                 | 967                                   |
| Allowance for Bad & Doubtful Debts                             | 213                                   | 168                                   |
| <b>Total (A)</b>   | <b>1,232</b>                          | <b>1,135</b>                          |
| <b>Deferred Tax Liabilities</b>                                |                                       |                                       |
| Related to Property, Plant and Equipment and Intangible Assets | 5,501                                 | 4,804                                 |
| Others   | -                                     | -                                     |
| <b>Total (B)</b>   | <b>5,501</b>                          | <b>4,804</b>                          |
| <b>Deferred Tax Liabilities (Net) - (B)-(A)</b>                | <b>4,269</b>                          | <b>3,669</b>                          |

₹ in Lakhs

| Movement in deferred tax balances  | As at<br>31 <sup>st</sup> March, 2024 | Recognised<br>in P&L | Recognised<br>in OCI | As at<br>31 <sup>st</sup> March, 2025 |
|--|---------------------------------------|----------------------|----------------------|---------------------------------------|
| <b>A. (a) Deferred Tax Assets</b>  |                                       |                      |                      |                                       |
| Accrued expenses allowable on payment basis  | 967                                   | 64                   | (12)                 | 1,019                                 |
| Allowance for Bad & Doubtful Debts   | 168                                   | 45                   | -                    | 213                                   |
| <b>Sub-Total (a)</b>   | <b>1,135</b>                          | <b>109</b>           | <b>(12)</b>          | <b>1,232</b>                          |
| <b>(b) Deferred Tax Liabilities</b>  |                                       |                      |                      |                                       |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation / amortisation for financial reporting | 4,804                                 | 697                  | -                    | 5,501                                 |
| Fair value changes on derivatives designated as cash flow hedges   | -                                     | -                    | -                    | -                                     |
| <b>Sub-Total (b)</b>   | <b>4,804</b>                          | <b>697</b>           | <b>-</b>             | <b>5,501</b>                          |
| <b>Deferred Tax Liabilities (Net) (b)-(a)</b>  | <b>3,669</b>                          | <b>588</b>           | <b>12</b>            | <b>4,269</b>                          |

₹ in Lakhs

| Movement in deferred tax balances  | As at<br>31 <sup>st</sup> March, 2023 | Recognised<br>in P&L | Recognised<br>in OCI | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|----------------------|----------------------|---------------------------------------|
| <b>(a) Deferred Tax Assets</b>   |                                       |                      |                      |                                       |
| Accrued expenses allowable on payment basis  | 714                                   | 259                  | (6)                  | 967                                   |
| Allowance for Bad & Doubtful Debts   | 81                                    | 87                   | -                    | 168                                   |
| <b>Sub-Total (a)</b>   | <b>795</b>                            | <b>346</b>           | <b>(6)</b>           | <b>1,135</b>                          |
| <b>(b) Deferred Tax Liabilities</b>  |                                       |                      |                      |                                       |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation / amortisation for financial reporting | 4,049                                 | 755                  | -                    | 4,804                                 |
| Fair value changes on derivatives designated as cash flow hedges   | -                                     | 6                    | (6)                  | -                                     |
| <b>Sub-Total (b)</b>   | <b>4,049</b>                          | <b>761</b>           | <b>(6)</b>           | <b>4,804</b>                          |
| <b>Deferred Tax Liabilities (Net) (b)-(a)</b>  | <b>3,254</b>                          | <b>415</b>           | <b>-</b>             | <b>3,669</b>                          |





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### Amounts recognised in profit or loss

#### B. CURRENT TAX EXPENSE

(₹ in Lakhs)

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Current Year                                      | 455                                   | 1,097                                 |
| Earlier Years                                     | 90                                    | (28)                                  |
|   | <b>545</b>                            | <b>1,069</b>                          |
| <b>Deferred tax expense</b>                       |                                       |                                       |
| Origination and reversal of temporary differences | 588                                   | 414                                   |
|   | <b>588</b>                            | <b>414</b>                            |
| <b>Total Tax Expense</b>                          | <b>1,133</b>                          | <b>1,483</b>                          |

#### C. AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

₹ in Lakhs

| Particulars  | For the year ended 31 <sup>st</sup> March, 2025 |                           |            |
|--|---|---------------------------|------------|
|  | Before tax                                      | Tax (Expense) /<br>Income | Net of tax |
| Remeasurements of defined benefit liability                      | 48  | (12)                      | 36         |
| Fair value changes on derivatives designated as cash flow hedges | (2)   | -                         | (2)        |
| <b>TOTAL</b>   | <b>46</b>                                       | <b>(12)</b>               | <b>34</b>  |

| Particulars  | For the year ended 31 <sup>st</sup> March, 2024 |                           |            |
|--|---|---------------------------|------------|
|  | Before tax                                      | Tax (Expense) /<br>Income | Net of tax |
| Remeasurements of defined benefit liability                      | 24  | (6)                       | 18         |
| Fair value changes on derivatives designated as cash flow hedges | (23)  | 6                         | (17)       |
|  | <b>1</b>  | <b>-</b>                  | <b>1</b>   |

#### D. THE INCOME TAX EXPENSES FOR THE YEAR RECONCILED TO THE ACCOUNTING PROFIT AS FOLLOWS :

(₹ in Lakhs)

| Particulars   | 2024-25    | 2023-24      |
|---|------------|--------------|
| Profit Before Tax   | 3,880      | 5,292        |
| Applicable Tax Rate *   | 25.17%     | 25.17%       |
| Computed Tax Expense  | 977        | 1,332        |
| <b>Tax effect of :</b>  |            |              |
| Exempted income / Items Considered Separately                                   | -          | 38           |
| Expenses Disallowed   | 3,527      | 3,158        |
| Additional Allowances   | (4,159)    | (3,431)      |
| <b>Current Tax Provision (A)</b>  | <b>346</b> | <b>1,097</b> |
| Incremental Deferred Tax Liability on account of Tangible and Intangible Assets | 587        | 414          |
| <b>Taxes recognised in Statement of Profit &amp; Loss (B)</b>                   | <b>587</b> | <b>414</b>   |
| <b>Net Taxes (A+B)</b>  | <b>933</b> | <b>1,511</b> |
| Effective Tax Rate  | 24.04%     | 28.55%       |

\*The Company has opted for option u/s 115BAA of Income Tax Act, 1961 and accordingly tax liabilities has been provided under the aforesaid provision.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 27 BORROWINGS

| Particulars                                 | (₹ in Lakhs)                          |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| <b>Secured</b>                              |                                       |                                       |
| <b>Loans Repayable on Demand from Banks</b> |                                       |                                       |
| Rupee Loans                                 | 2,235                                 | 16,976                                |
| Foreign Currency Loans                      | 31,631                                | 22,162                                |
| Current maturities of long term debts       | 5,841                                 | 5,202                                 |
| <b>TOTAL</b>                                | <b>39,707</b>                         | <b>44,340</b>                         |

**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 immoveable 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 8.60 % to 9.50 % per annum, computed monthly and payable on demand.

**27.3** Foreign Currency Loans carry floating interest rate Sofr+0.50 to 2.00% per annum, computed monthly and payable on demand.

### 28 LEASE LIABILITIES

| Particulars                         | (₹ in Lakhs)                          |                                       |
|-------------------------------------|---------------------------------------|---------------------------------------|
|                                     | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Lease Liability (Refer Note No. 55) | 100                                   | 57                                    |
| <b>TOTAL</b>                        | <b>100</b>                            | <b>57</b>                             |

### 29 TRADE PAYABLES (INCLUDE ACCEPTANCES)

| Particulars  | (₹ in Lakhs)                          |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Total outstanding dues of Micro enterprises and Small enterprises (Refer Note No. 49)  | 2,132                                 | 1,976                                 |
| Total outstanding dues of creditors other than micro enterprises and Small enterprises | 6,015                                 | 3,895                                 |
| Acceptances*   | 50,722                                | 35,770                                |
| <b>TOTAL</b>   | <b>58,869</b>                         | <b>41,641</b>                         |

\*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise 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

#### Annexure 2 of Note No - 29

#### Trade payables aging schedule

#### AS AT 31<sup>ST</sup> MARCH, 2025

| Particulars  | Outstanding from due date of payment |               |              |              |              |               |
|--|--------------------------------------|---------------|--------------|--------------|--------------|---------------|
|  | Unbilled                             | < 1 year      | 1-2 year     | 2-3 year     | > 3 year     | Total         |
| <b>Undisputed;</b>   |                                      |               |              |              |              |               |
| Total outstanding dues of micro enterprises and small enterprises                      | -                                    | 2,043         | 89           | -            | -            | 2,132         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 921                                  | 50,741        | 5,519        | (107)        | (337)        | 56,737        |
| <b>Disputed;</b>   |                                      |               |              |              |              |               |
| Total  | <b>921</b>                           | <b>52,784</b> | <b>5,608</b> | <b>(107)</b> | <b>(337)</b> | <b>58,869</b> |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

| Particulars  | Outstanding from due date of payment |               |          |           |           |               |
|--|--------------------------------------|---------------|----------|-----------|-----------|---------------|
|  | Unbilled                             | < 1 year      | 1-2 year | 2-3 year  | > 3 year  | Total         |
| <b>As at 31<sup>st</sup> March, 2024</b>   |                                      |               |          |           |           |               |
| <b>Undisputed;</b>   |                                      |               |          |           |           |               |
| Total outstanding dues of micro enterprises and small enterprises                      | -                                    | 1,976         | -        | -         | -         | 1,976         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 313                                  | 39,245        | 6        | 54        | 48        | 39,665        |
| <b>Disputed;</b>   |                                      |               |          |           |           |               |
|  | -                                    | -             | -        | -         | -         | -             |
| <b>Total</b>   | <b>313</b>                           | <b>41,221</b> | <b>6</b> | <b>54</b> | <b>48</b> | <b>41,641</b> |

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>29.2</b> Included in the above Payable amount due to wholly owned subsidiary company | <b>41</b>                             | <b>1,399</b>                          |

### 30 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Interest accrued but not due on borrowings     | 49                                    | 76                                    |
| Unpaid Dividends <sup>#</sup>                  | 15                                    | 15                                    |
| Creditors for Capital Expenditure <sup>*</sup> | 786                                   | 1,144                                 |
| Security Deposit                               | 939                                   | 759                                   |
| Liability towards Staff and Workers            | 2,404                                 | 2,323                                 |
| Commission Payable on Sales                    | 2,829                                 | 2,235                                 |
| Liabilities for Expenses <sup>§</sup>          | 4,038                                 | 7,656                                 |
| <b>TOTAL</b>                                   | <b>11,060</b>                         | <b>14,208</b>                         |

<sup>#</sup>There is no overdue amount to be credited to investor education & protection fund.

|   |    |     |
|---|----|-----|
| <sup>*</sup> Include total outstanding dues of micro enterprises and small enterprises. | 87 | 427 |
| <sup>§</sup> Include total outstanding dues of micro enterprises and small enterprises. | 31 | 58  |

### 31 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

| Particulars              | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------|---------------------------------------|---------------------------------------|
| Advance from Customers   | 802                                   | 2,982                                 |
| Liabilities for Expenses | 3                                     | 20                                    |
| Statutory Dues           | 663                                   | 693                                   |
| <b>TOTAL</b>             | <b>1,468</b>                          | <b>3,695</b>                          |

### 32 PROVISIONS

(₹ in Lakhs)

| Particulars                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Provision for Gratuity         | 1,250                                 | 1,275                                 |
| Provision for Leave Encashment | 25                                    | 116                                   |
| <b>TOTAL</b>                   | <b>1,275</b>                          | <b>1,391</b>                          |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 33 REVENUE FROM OPERATIONS

|  | (₹ in Lakhs)    |                 |
|--|-----------------|-----------------|
| Particulars                            | 2024-25         | 2023-24         |
| Sale of Products/ Income from Services | 2,84,301        | 2,64,797        |
| <b>TOTAL</b>                           | <b>2,84,301</b> | <b>2,64,797</b> |

#### PARTICULARS OF SALE OF PRODUCTS/SERVICES

|   | (₹ in Lakhs)    |                 |
|---|-----------------|-----------------|
| Particulars                                   | 2024-25         | 2023-24         |
| <b>a) Sale of Products - Textile products</b> |                 |                 |
| Finished Goods                                | 2,65,784        | 2,38,651        |
| Traded Goods                                  | 1,620           | 9,112           |
| <b>TOTAL</b>                                  | <b>2,67,404</b> | <b>2,47,763</b> |
| <b>b) Sale of Services</b>                    |                 |                 |
| Job Processing                                | 8,572           | 9,259           |
| <b>TOTAL</b>                                  | <b>8,572</b>    | <b>9,259</b>    |
| <b>c) Other Operating Revenues</b>            |                 |                 |
| Sale of Waste                                 | 2,809           | 3,124           |
| Export Benefits / Incentives                  | 5,516           | 4,651           |
| <b>TOTAL</b>                                  | <b>8,325</b>    | <b>7,775</b>    |
| <b>TOTAL (a+b+c)</b>                          | <b>2,84,301</b> | <b>2,64,797</b> |

### 34 OTHER INCOME

|  | (₹ in Lakhs) |              |
|--|--------------|--------------|
| Particulars  | 2024-25      | 2023-24      |
| <b>Interest Income on Financial Assets (at amortised cost)</b> |              |              |
| from Customers   | 306          | 199          |
| from Others  | 528          | 308          |
| <b>Other Non-Operating Income</b>                              |              |              |
| Dividend Income On Mutual Fund                                 | 33           | 0            |
| Insurance Claim  | 157          | 110          |
| Rent   | 464          | 429          |
| Net Unrealised Gain/(Loss) on Foreign Currency Fluctuation     | (141)        | 129          |
| Profit on Sale of Property, Plant & Equipment (Net)            | 147          | 39           |
| Renewable Energy Certification                                 | 0            | 5            |
| Notional Profit on Mutual fund investment                      | 144          | 298          |
| Provision For No Longer Required                               | 223          | 1            |
| Miscellaneous Receipts   | 65           | 49           |
| <b>TOTAL</b>   | <b>1,926</b> | <b>1,567</b> |

### 35 COST OF MATERIALS CONSUMED

|                                 | (₹ in Lakhs)    |                 |
|---------------------------------|-----------------|-----------------|
| Particulars                     | 2024-25         | 2023-24         |
| Raw Materials Consumed          | 1,56,266        | 1,42,530        |
| Consumption of Dyes & Chemicals | 10,929          | 11,091          |
| <b>TOTAL</b>                    | <b>1,67,195</b> | <b>1,53,621</b> |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 36 PURCHASES OF STOCK IN TRADE

|                                    | (₹ in Lakhs) |              |
|------------------------------------|--------------|--------------|
| Particulars                        | 2024-25      | 2023-24      |
| Stock in Trade – Yarn              | 2,015        | 45           |
| Stock in Trade – Fabric            | 98           | 3,037        |
| Stock in Trade – Seamless Garments | 4,651        | 5,325        |
| <b>TOTAL</b>                       | <b>6,764</b> | <b>8,407</b> |

### 37 CHANGES IN INVENTORIES OF FINISHED GOODS

|   | (₹ in Lakhs)  |                |
|---|---------------|----------------|
| Particulars                                     | 2024-25       | 2023-24        |
| <b>WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>      |               |                |
| <b>Inventories at the end of the year</b>       |               |                |
| Finished Goods                                  | 26,266        | 26,053         |
| Work-in-Progress                                | 7,702         | 8,680          |
|   | <b>33,968</b> | <b>34,733</b>  |
| <b>Inventories at the beginning of the year</b> |               |                |
| Finished Goods                                  | 26,053        | 24,018         |
| Work-in-Progress                                | 8,680         | 9,213          |
|   | <b>34,733</b> | <b>33,231</b>  |
| <b>(INCREASE) / DECREASE IN INVENTORY</b>       | <b>765</b>    | <b>(1,502)</b> |

### 38 EMPLOYEE BENEFITS EXPENSE

|   | (₹ in Lakhs)  |               |
|---|---------------|---------------|
| Particulars                               | 2024-25       | 2023-24       |
| Salaries and Wages <sup>^</sup>           | 23,247        | 22,697        |
| Contribution to Provident and Other Funds | 1,792         | 1,804         |
| Staff Welfare Expenses                    | 203           | 176           |
| <b>TOTAL</b>                              | <b>25,242</b> | <b>24,677</b> |

<sup>^</sup>Excludes ₹ 295 Lakhs (previous year ₹ 295 Lakhs) considered under Exceptional Items (Refer Note No -43).

### 39 FINANCE COSTS

|  | (₹ in Lakhs) |              |
|--|--------------|--------------|
| Particulars                                    | 2024-25      | 2023-24      |
| Interest Expenses                              | 8,431        | 6,148        |
| Other Borrowing Costs                          | 779          | 637          |
| <b>TOTAL</b>                                   | <b>9,210</b> | <b>6,785</b> |
| Net of interest Capitalised (Refer note no. 3) | 2,420        | 1,525        |
| Net of interest Subsidy (TUF /RIPS)            | 1,532        | 1,067        |

### 40 DEPRECIATION AND AMORTISATION EXPENSE

|                                      | (₹ in Lakhs)  |              |
|--------------------------------------|---------------|--------------|
| Particulars                          | 2024-25       | 2023-24      |
| A. Depreciations on Tangible Assets  | 10,438        | 8,825        |
| B. Right of use asset                | 131           | 155          |
| C. Amortisation of Intangible Assets | 111           | 111          |
| <b>TOTAL</b>                         | <b>10,680</b> | <b>9,091</b> |





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 41 POWER & FUEL

|                         | (₹ in Lakhs)  |               |
|-------------------------|---------------|---------------|
| Particulars             | 2024-25       | 2023-24       |
| Power and Fuel Expenses | 29,663        | 29,697        |
| <b>TOTAL</b>            | <b>29,663</b> | <b>29,697</b> |

### 42 OTHER EXPENSES

|  | (₹ in Lakhs)  |               |
|--|---------------|---------------|
| Particulars  | 2024-25       | 2023-24       |
| <b>A. Manufacturing Expenses</b>   |               |               |
| Stores & Spares Consumed   | 3,464         | 3,825         |
| Packing Material Consumed  | 2,995         | 3,207         |
| Processing and Job Charges   | 4,399         | 4,081         |
| Repairs To : Plant & Machinery   | 693           | 658           |
| Repairs To : Building  | 68            | 145           |
| Repairs To : Others  | 104           | 76            |
| Misc. Manufacturing Expenses   | 2,818         | 2,807         |
| <b>Sub Total (A)</b>   | <b>14,541</b> | <b>14,799</b> |
| <b>B. Administrative Expenses</b>  |               |               |
| Rent (including short term lease rent)   | 339           | 243           |
| Rates & Taxes  | 240           | 166           |
| Payments to Auditors: For Statutory Audit Fees   | 28            | 26            |
| For Certifications   | -             | -             |
| Reimbursement of Expenses  | 7             | 7             |
| Cost Audit Fees  | 2             | 2             |
| Insurance Premium  | 723           | 826           |
| Directors' Travelling  | 197           | 171           |
| Travelling & Conveyance  | 320           | 384           |
| Telephone & Postage  | 638           | 377           |
| Directors' Remuneration*   | 766           | 973           |
| Printing & Stationery  | 41            | 52            |
| Legal & Professional Fees  | 493           | 477           |
| Vehicle Running & Maintenance  | 593           | 582           |
| Director's Sitting Fees  | 22            | 23            |
| Charity and Donations  | 3             | 22            |
| Advances Written Off (Net)   | (19)          | 383           |
| Miscellaneous Expenses   | 538           | 488           |
| Contribution towards CSR (Refer Note No. 58)   | 263           | 228           |
| <b>Sub Total (B)</b>   | <b>5,194</b>  | <b>5,429</b>  |
| *Excludes ₹ 369 Lakhs (previous year ₹ 369 Lakhs) considered under Exceptional Items (Refer Note No -43) |               |               |
| <b>C. Selling &amp; Distribution Expenses</b>  |               |               |
| Sales Commission & Brokerage   | 4,550         | 3,531         |
| Freight, Octroi and Other Selling Expenses   | 7,722         | 5,555         |
| Bad Debts Provision / Written Off *  | 157           | 318           |
| <b>Sub Total (C)</b>   | <b>12,429</b> | <b>9,404</b>  |
| <b>TOTAL (A+B+C)</b>   | <b>32,164</b> | <b>29,632</b> |

\*Provision for Bad Debts written off ₹ 157 Lakhs and net-off recovery of ₹ 22 Lakhs during the year. (Previous Year ₹ 318 Lakhs and net off recovery of ₹ 26 Lakhs during the Previous year) out of Provision for Trade Receivables.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 43 EXCEPTIONAL ITEMS

| (₹ in Lakhs)  |            |            |
|---|------------|------------|
| Particulars   | 2024-25    | 2023-24    |
| (i) Proportional cost of Sweat equity Shares charged to the Statement of Profit and Loss during the year ** | 664        | 664        |
| <b>TOTAL</b>  | <b>664</b> | <b>664</b> |

\*\*The Company had issued Sweat Equity Shares during the Previous Year 2022-23 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 a premium of ₹ 327.18 per equity share to Executive Director & Chief Business Strategist as per Board Resolution dated 17<sup>th</sup> June, 2022 & as approved by the Shareholders in their Extra Ordinary General Meeting held on dated 16<sup>th</sup> July, 2022. The total value of equity shares issued amount to ₹ 3,793 Lakhs. Out of the above, ₹ 1,138 Lakhs was charged to the statement of Profit & Loss during the year ended 31<sup>st</sup> March, 2023 and balance amount is to be amortised over a period of 4 years. Accordingly ₹ 664 Lakhs is charged to the statement of Profit & Loss during the year. Also refer note 47 - issue of sweat equity shares.

### 44 OTHER COMPREHENSIVE INCOME

| (₹ in Lakhs)   |            |             |
|--|------------|-------------|
| Particulars  | 2024-25    | 2023-24     |
| <b>Items that will not be reclassified to profit or loss</b>         |            |             |
| Remeasurement of defined benefit plans                               | 48         | 24          |
| Tax relating to remeasurement of defined benefit plans               | (12)       | (6)         |
| <b>Sub Total (A)</b>   | <b>36</b>  | <b>18</b>   |
| <b>Items that will be reclassified to profit or loss</b>             |            |             |
| Fair value changes on derivatives designated as cash flow hedges     | (2)        | (23)        |
| Tax on items that will be reclassified subsequently to Profit & Loss | 0          | 6           |
| <b>Sub Total (B)</b>   | <b>(2)</b> | <b>(17)</b> |
| <b>TOTAL (A+B)</b>   | <b>34</b>  | <b>1</b>    |

### 45 EARNINGS PER SHARE (EPS)

| (₹ in Lakhs)  |             |             |
|---|-------------|-------------|
| Particulars   | 2024-25     | 2023-24     |
| i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | 2,747       | 3,809       |
| Add : Exceptional Items   | 664         | 664         |
| Net Profit before Exceptional Items   | 3,411       | 4,473       |
| ii) Weighted Average number of equity shares used as denominator for calculating EPS            | 5,02,46,559 | 4,97,32,312 |
| iii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS   | -           | -           |
|   | (₹)         | (₹)         |
| iv) Basic Earnings per share (Before exceptional items)   | 6.79        | 8.99        |
| v) Basic Earnings per share (After exceptional items)   | 5.47        | 7.66        |
| vi) Diluted Earnings per share (Before exceptional items)                                       | 6.79        | 8.99        |
| vii) Diluted Earnings per share (After exceptional items)                                       | 5.47        | 7.66        |
| viii) Face Value per equity share (₹)   | 10          | 10          |

**46** 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

Since the matter within the Purview of the Commercial appellate Division hence the matter placed before the Roster Bench subject to the order of the Hon'ble Chief Justice of the High Court, Delhi. The Divisional bench of the Hon'ble High Court of Delhi has passed the order and remanded the case for a fresh adjudication of section 34 petition by the Learned Single Judge. Presently the Petition is pending before the Learned Single bench of Delhi High Court for proceeding under section 34 of Arbitration and Conciliation Act, 1996.

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 disputed amount. The other current financial asset includes the above claim.

### 47 ISSUE OF SWEAT EQUITY SHARES

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| During the year ended 31 <sup>st</sup> March, 2023, 11,25,000 Equity Shares were allotted to the Executive Director and the Chief Business Strategist as per the Board resolution dated 17 <sup>th</sup> June, 2022 and as approved by the Shareholders in their extra ordinary general meeting held on 16 <sup>th</sup> July, 2022 as under: |                                       |                                       |
| (a) Number of Sweat equity Shares issued as per the above approval  |                                       |                                       |
| (i) Mr. Vinod Kumar Sodani (Executive Director) (No of Shares 6.25 Lakhs)   | -                                     | -                                     |
| (ii) Mr. Pranal Modani (Chief Business Strategist) (No of Shares 5.00 Lakhs)  | -                                     | -                                     |
| (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)   | -                                     | -                                     |
| (c) Value of Equity Shares issued and allotted:   | -                                     | -                                     |
| (i) Mr. Vinod Kumar Sodani (Executive Director) (₹ in Lakhs)  | -                                     | -                                     |
| (ii) Mr. Pranal Modani (Chief Business Strategist) (₹ in Lakhs)   | -                                     | -                                     |
| (d) Withholding tax absorbed by the Company on the above value under section 192 of the Income Tax Act, 1961 (₹ in Lakhs)   | -                                     | -                                     |
| (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 43) (₹ in Lakhs)  | 664                                   | 664                                   |
| (f) Balance amount deferred to be amortised in 2 equal installments during subsequent years. (Previous Year's amount to be amortised in 3 annual equal installments during subsequent years). (Refer Note No 43) (Rs. in Lakhs)   | 1,327                                 | 1,991                                 |

### 48 EMPLOYEES STOCK OPTION SCHEME 2022

#### A. Description of the Plan:

The Company has instituted an Employee Stock Option Plan (ESOP), duly approved by the Board of Directors and shareholders. The plan is administered by the Nomination and Remuneration Committee (NRC) of the Board and Sangam (India) Limited Employees Welfare Trust ("Trust").

Under this plan, options are granted to eligible employees to subscribe to equity shares at a predetermined price, upon fulfillment of vesting conditions.

|                                     |  |
|-------------------------------------|--|
| <b>Name of the Scheme</b>           | : Sangam (India) Limited - Employees Stock Option Scheme 2022                            |
| <b>Date of Shareholder Approval</b> | : 16 <sup>th</sup> July, 2022  |
| <b>Type of Instrument</b>           | : Equity Settled   |
| <b>Vesting Period</b>               | : Minimum of 1 year and Maximum of 7 years from the Grant Date                           |
| <b>Exercise Period</b>              | : within a maximum period of 3 years from the date of respective Vesting                 |
| <b>Exercise Price</b>               | : ₹ 266.70 per share (1 <sup>st</sup> Grant), ₹ 329.55 per share (2 <sup>nd</sup> Grant) |
| <b>Method of Settlement</b>         | : Equity Shares  |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### B. Movement of Stock Options during the Year:

| Particulars                    | F.Y. 2024-25      |                                     | F.Y. 2023-24      |                                     |
|--------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|
|                                | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning   | 3,79,050          | 289                                 | 3,39,000          | 267                                 |
| Granted during the year        | -                 | -                                   | 1,31,500          | 330                                 |
| Forfeited / Lapsed during year | 1,22,950          | 288                                 | 69,250            | 267                                 |
| Exercised during the year      | 14,300            | 268                                 | 22,200            | 267                                 |
| Outstanding at the end of year | 2,41,800          | 290                                 | 3,79,050          | 289                                 |
| Exercisable at the end of year | 19,850            | 295                                 | 33,900            | 267                                 |

### C. Impact on Statement of Profit and Loss:

The total expense recognized in the Statement of Profit and Loss for the year ended 31/03/2025 arising from share-based payment transactions is as follows:

| Particulars                                   | F.Y. 2024-25 | F.Y. 2023-24 |
|---|--------------|--------------|
| Expenses on ESOP (Employee Compensation Cost) | -            | -            |

## 49 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| 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*  | 2,250                                 | 2,461                                 |
| - 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 ₹ 2,132 Lakhs (Previous Year ₹ 1,976 Lakhs) included in Trade Payables.

\*Include total outstanding dues of micro enterprises and small enterprises of ₹ 87 Lakhs (Previous Year ₹ 427 Lakhs) in Creditors for Capital Expenditure under the other current financial liabilities.

\*Include total outstanding dues of micro enterprises and small enterprises of ₹ 31 Lakhs (Previous Year ₹ 58 Lakhs) in other liabilities under the other current financial liabilities.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 50 CONTINGENT LIABILITIES AND COMMITMENTS

|  |  | (₹ in Lakhs) |         |
|--|--|--------------|---------|
| Particulars  |  | 2024-25      | 2023-24 |
| <b>(i) Contingent Liabilities:</b>   |  |              |         |
| <b>(a) Guarantees:</b>   |  |              |         |
| Outstanding Bank Guarantees (Excluding Financial Guarantees)   |  | 964          | 1,004   |
| Corporate guarantee to banks on behalf of subsidiary company   |  | 8,090        | 10,700  |
| <b>(b) Other Money for which the Company is contingently liable:</b>   |  |              |         |
| 1 Case pending with Central Excise under Central Excise ACT, 1944  |  | 11           | 11      |
| 2 Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003.   |  | 42           | 42      |
| <b>Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :</b>  |  |              |         |
| 3 Disputes on various tolls for which company is contingently liable.  |  | 243          | 243     |
| <b>(ii) Commitments:</b>   |  |              |         |
| (a) Estimated amount of contracts remaining to be executed on capital and not provided for (Net off Advances) Rs. 1,090 Lakhs (Previous Year Rs. 20,124 Lakhs)   |  |              |         |
| (b) The company has an outstanding export obligation of approx. Rs 13604 Lakhs (Previous Year – Rs 24215 Lakhs), in respect of capital goods imported at the concessional rate of duty under Export Promotion Capital Goods Scheme, which is required to be met at different dates on or before 31 <sup>st</sup> March, 2031 and export obligation of approx. Rs 8504 Lakhs (Previous Year – Nil), in respect of cotton imported at the concessional rate of duty under Duty Exemption/Remission Schemes (Advance Authorisation) which is required to be met at different dates on or before 25 <sup>th</sup> March, 2026. In the event of non-fulfilment of these export obligation, the company will be liable to pay customs duties and penalties, as applicable. |  |              |         |

### 51. 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)

Shri R.P. Soni Chairman  
Dr. S.N. Modani Vice Chairman  
Shri V.K. Sodani Executive Director  
Shri Anurag Soni Managing Director  
Shri S.R. Dakhera Chief Financial Officer  
Shri Arjun Agal Company Secretary  
(w.e.f. 31<sup>st</sup> July, 2024)

##### 3 Non Executive Director/ Independent Director

Shri Achintya Karati (upto 23<sup>rd</sup> September, 2024)  
Shri T.K. Mukhopadhyay (upto 23<sup>rd</sup> September, 2024)  
Smt. Aparna Sahay (upto 26<sup>th</sup> October, 2024)

Smt. Irina Garg (w.e.f. 12<sup>th</sup> August, 2024)

Shri Dinesh Chander Patvari (w.e.f. 12<sup>th</sup> August, 2024)

Shri Upendra Prasad Singh (w.e.f. 12<sup>th</sup> August, 2024)

Shri Yaduvendra Mathur (upto 4<sup>th</sup> May, 2024)

Shri Sudhir Maheshwari

##### 4 Relatives of KMP (with whom transactions held during the year)

Smt. Radha Devi Soni  
Smt. Mamta Modani  
Smt. Archana Sodani  
Smt. Antima Bass  
Shri Pranal Modani  
Smt. Palak Modani  
Smt. Krippie Soni  
Ms. Sakshi Modani  
Ms. Mihika Sodani  
Smt. Sunita Dakhera



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 5 Enterprises over which KMP have significant influence

|  |  |
|--|--|
| Sangam E-com Limited                       | Sangam Lifespaces Limited                    |
| Raj Rajeshwar Enterprises Pvt.Limited      | Sangam Finserv Limited                       |
| Laddha Construction Company Pvt.Limited    | Sangam Shutings Private Limited              |
| Shri R.P. Soni HUF                         | Virgo Shutings Private Limited               |
| M/s Badri Lal Soni Charitable Trust        | Sarvodaya Holdings Private Limited           |
| M/s Kesar Bai Soni Charitable Trust        | Kalyan Sangam Infratech Limited              |
| Sangam Business Credit Limited             | Saptrishi Commercial Company Limited         |
| Sangam Rise Foundation                     | Sangam Sai Ananya Developers Private Limited |
| Sangam Ananya Developers Private Limited   | Sangam Horticulture Private Limited          |
| Keti Sangam Infrastructure (India) Limited | Bhilwara Estates Private Limited             |
|  | Sangam Farmstead Private Limited             |

### (B) Disclosure of related party transactions:

|          |  | (₹ in Lakhs) |         |
|----------|--|--------------|---------|
| Sr. No.  | Nature of transaction/relationship/major parties | 2024-25      | 2023-24 |
|          |  | Amount       | Amount  |
| <b>1</b> | <b>Purchase of goods &amp; services</b>          |              |         |
|          | Sangam Ventures Limited                          | 4,659        | 4,557   |
|          | Sangam Farmstead Private Limited                 | 110          | 10      |
| <b>2</b> | <b>Sale of goods</b>                             |              |         |
|          | Sangam Ventures Limited                          | 1,239        | 3,074   |
| <b>3</b> | <b>Fees received for corporate guarantee</b>     |              |         |
|          | Sangam Ventures Limited                          | 11           | 11      |
| <b>4</b> | <b>Lease Liability Paid</b>                      |              |         |
|          | Shri Ram Pal Soni                                | 14           | 13      |
|          | Shri Anurag Soni                                 | 15           | 13      |
|          | Smt. Radha Devi Soni                             | 79           | 76      |
|          | Smt. Mamta Modani                                | 5            | 5       |
|          | Smt. Antima Bass                                 | 14           | 13      |
|          | Smt. Krippie Soni                                | 27           | 26      |
|          | R.P. Soni HUF                                    | 14           | 13      |
|          | Laddha Construction Company Pvt. Limited         | 43           | 43      |
| <b>5</b> | <b>Rent received</b>                             |              |         |
|          | Sangam Ventures Limited                          | 377          | 282     |
| <b>6</b> | <b>Insurance paid</b>                            |              |         |
|          | Dr. S.N. Modani                                  | 13           | 14      |
|          | Shri V.K. Sodani                                 | 21           | 22      |
|          | Shri Anurag Soni                                 | 13           | 17      |
|          | Shri Pranal Modani                               | 10           | 10      |
| <b>7</b> | <b>Rent paid</b>                                 |              |         |
|          | Sangam Ventures Limited                          | 3            | 3       |

**NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)**

(₹ in Lakhs)

| Sr. No.  | Nature of transaction/relationship/major parties                                   | 2024-25 | 2023-24 |
|----------|--|---------|---------|
|          |  | Amount  | Amount  |
| <b>8</b> | <b>Compensation paid to key management personnel:</b>                              |         |         |
|          | <b>Remuneration</b>  |         |         |
|          | <b>(1) Short-term employment benefits / Salary</b>                                 |         |         |
|          | <b>(i) Key Managerial Personnel</b>  |         |         |
|          | Shri R.P. Soni   | 349     | 387     |
|          | Dr. S.N. Modani  | 216     | 187     |
|          | Shri V.K. Sodani   | 147     | 106     |
|          | Shri Anurag Soni   | 90      | 89      |
|          | Shri A.K. Jain   | -       | 8       |
|          | Shri S.R. Dakhera  | 40      | 22      |
|          | Shri Arjun Agal  | 10      | -       |
|          | <b>(ii) Relatives of Key Managerial Personnel</b>                                  |         |         |
|          | Smt. Mamta Modani  | 48      | 48      |
|          | Smt. Archana Sodani  | 24      | 24      |
|          | Shri Pranal Modani   | 55      | 55      |
|          | Smt. Palak Modani  | 10      | 11      |
|          | Ms. Sakshi Modani  | 1       | 8       |
|          | Ms. Mihika Sodani  | 7       | 32      |
|          | Smt. Sunita Dakhera  | 19      | 12      |
|          | <b>(2) Director Sitting fees</b>   |         |         |
|          | Shri Achintya Karati   | 3       | 6       |
|          | Shri T.K. Mukhopadhyay   | 3       | 7       |
|          | Smt. Aparna Sahay  | 2       | 1       |
|          | Shri Yaduvendra Mathur   | -       | 6       |
|          | Shri Upendra Prasad Singh  | 4       | -       |
|          | Shri Dinesh Chander Patwari  | 4       | -       |
|          | Ms. Irina Garg   | 2       | -       |
|          | Shri Sudhir Maheshwari   | 5       | 3       |
|          | <b>(3) Commission</b>  |         |         |
|          | Shri R.P. Soni   | -       | 71      |
|          | Dr. S.N. Modani  | -       | -       |
|          | Shri V.K. Sodani   | -       | 62      |
|          | Shri Anurag Soni   | -       | 71      |
|          | Shri Pranal Modani   | 16      | 24      |
|          | <b>(4) Value of sweat equity share considered as Exceptional items</b>             |         |         |
|          | Shri V.K. Sodani   | 369     | 369     |
|          | Shri Pranal Modani   | 295     | 295     |
|          | <b>(5) Investment in Subsidiary</b>  |         |         |
|          | Fair Value of Corporate Guarantee revoked for Subsidiary against its loan for Bank | -       | 1,011   |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Sr.<br>No. | Nature of transaction/relationship/major parties             | 2024-25 | 2023-24 |
|------------|--|---------|---------|
|            |  | Amount  | Amount  |
|            | <b>(6) Other financial liabilities</b>                       |         |         |
|            | Corporate Guarantee fees received in advance from Subsidiary |         |         |
|            | Sangam Ventures Limited                                      | 86      | 96      |
| <b>9</b>   | <b>Expenditure Incurred in CSR</b>                           |         |         |
|            | (i) M/S Badri Lal Soni Charitable Trust                      | 92      | 86      |
|            | (ii) M/S Kesar Bai Soni Charitable Trust                     | 11      | 11      |

### (C) Amount due to / from related parties:

(₹ in Lakhs)

| S.<br>No. | Nature of transaction/relationship/major parties                                   | 2024-2025 | 2023-2024 |
|-----------|--|-----------|-----------|
|           |  | Amount    | Amount    |
| <b>1</b>  | <b>Trade &amp; Other Receivables</b>   |           |           |
|           | Sangam Ventures Limited  | -         | 2,968     |
| <b>2</b>  | <b>Security Deposit given against property taken on lease for business purpose</b> |           |           |
|           | Shri Ram Pal Soni  | 250       | 250       |
|           | Shri Anurag Soni   | 150       | 150       |
|           | Smt. Radha Devi Soni   | 550       | 550       |
|           | Smt. Antima Bass   | 150       | 150       |
|           | Smt. Krippie Soni  | 100       | 100       |
|           | R.P. Soni HUF  | 200       | 200       |
|           | Laddha Construction Company Pvt. Limited   | 300       | 300       |
| <b>3</b>  | <b>Advance against purchase of Property</b>  |           |           |
|           | Laddha Construction  | 980       | 880       |
| <b>4</b>  | <b>Trade Payables</b>  |           |           |
|           | Sangam Ventures Limited  | 41        | 1,399     |
|           | Sangam Farmstead Private Limited   | 13        | 0         |
| <b>5</b>  | <b>Other Payables</b>  |           |           |
|           | <b>Lease Liabilities</b>   |           |           |
|           | Shri Ram Pal Soni  | 1         | -         |
|           | Shri Anurag Soni   | 1         | -         |
|           | Smt. Radha Devi Soni   | 6         | -         |
|           | Smt. Mamta Modani  | 0         | -         |
|           | Smt. Antima Bass   | 1         | -         |
|           | Smt. Krippie Soni  | 2         | -         |
|           | R.P. Soni HUF  | 1         | -         |
|           | <b>Consultancy Fees (Relative of KMP)</b>  |           |           |
|           | Smt. Mamta Modani  | 4         | -         |
|           | Smt. Archana Sodani  | 2         | -         |
| <b>6</b>  | <b>Director's Sitting Fees</b>   |           |           |
|           | Shri Achintya Karati   | 1         | -         |
|           | Shri T.K. Mukhopadhyay   | 1         | -         |
|           | Shri Dinesh Chander Patwari  | 0         | -         |
|           | Shri Sudhir Maheshwari   | 0         | 3         |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 52 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans.

#### (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)

| Particulars                               | For the year ended          |                              |
|---|-----------------------------|------------------------------|
|   | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March, 2024 |
| Contribution to government Provident Fund | 1,405                       | 1,356                        |

#### (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 31<sup>st</sup> March, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### A. BASED ON THE ACTUARIAL VALUATION OBTAINED IN THIS RESPECT, THE FOLLOWING TABLE SETS OUT THE STATUS OF THE GRATUITY PLAN AND THE AMOUNTS RECOGNISED IN THE COMPANY'S FINANCIAL STATEMENTS AS AT BALANCE SHEET DATE:

(₹ in Lakhs)

| Particulars                             | Gratuity (Funded)            |                              | Leave encashment             |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| Net defined benefit (liability) / asset | 2,917                        | 2,578                        | 510                          | 701                          |
| Non-current                             | 1,668                        | 1,303                        | 484                          | 585                          |
| Current                                 | 1,249                        | 1,275                        | 26                           | 116                          |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (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 <sup>st</sup> March, 2025 |                           |                                       |                            |                           | 31 <sup>st</sup> March, 2024          |                            |                           |                                       |                                       |
|  | 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 | Net defined benefit (asset)/liability |
| Balance as at 1 <sup>st</sup> April, 2024                        | 2,824                        | 247                       | 2,577                                 | 2,607                      | 474                       | 2,133                                 | 701                        | -                         | 701                                   | 364                                   |
| Balance as at 1 <sup>st</sup> April, 2024 (Amalgamating Company) | -                            | -                         | -                                     | -                          | -                         | -                                     | -                          | -                         | -                                     | -                                     |
| <b>Included in profit or loss</b>                                |                              |                           |                                       |                            |                           |                                       |                            |                           |                                       |                                       |
| Current service cost   | 495                          | -                         | 495                                   | 470                        | -                         | 470                                   | 251                        | -                         | 251                                   | -                                     |
| Interest cost / (income)   | 186                          | -                         | 186                                   | 156                        | -                         | 156                                   | 49                         | -                         | 49                                    | -                                     |
|  | <b>681</b>                   | <b>-</b>                  | <b>681</b>                            | <b>626</b>                 | <b>-</b>                  | <b>626</b>                            | <b>300</b>                 | <b>-</b>                  | <b>300</b>                            | <b>-</b>                              |
| <b>Included in OCI</b>   |                              |                           |                                       |                            |                           |                                       |                            |                           |                                       |                                       |
| Remeasurements loss (gain)                                       | -                            | -                         | -                                     | -                          | -                         | -                                     | -                          | -                         | -                                     | -                                     |
| Actuarial loss (gain) arising from:                              |                              |                           |                                       |                            |                           |                                       |                            |                           |                                       |                                       |
| Demographic assumptions  | -                            | -                         | -                                     | 47                         | -                         | 47                                    | -                          | -                         | -                                     | -                                     |
| Financial assumptions  | 85                           | -                         | 85                                    | 18                         | -                         | 18                                    | 19                         | -                         | 19                                    | -                                     |
| Experience adjustment  | (137)                        | -                         | (137)                                 | (101)                      | -                         | (101)                                 | (337)                      | -                         | (337)                                 | -                                     |
| On plan assets   | -                            | (4)                       | 4                                     | -                          | (12)                      | 12                                    | -                          | -                         | -                                     | -                                     |
|  | <b>(52)</b>                  | <b>(4)</b>                | <b>(48)</b>                           | <b>(36)</b>                | <b>(12)</b>               | <b>(24)</b>                           | <b>(318)</b>               | <b>-</b>                  | <b>(318)</b>                          | <b>-</b>                              |
| <b>Other</b>   |                              |                           |                                       |                            |                           |                                       |                            |                           |                                       |                                       |
| Contributions paid by the employer                               | -                            | 293                       | (293)                                 | -                          | 157                       | (157)                                 | -                          | -                         | -                                     | -                                     |
| Benefits paid  | (481)                        | (481)                     | -                                     | (373)                      | (373)                     | -                                     | (173)                      | -                         | (173)                                 | (364)                                 |
| Expected Return on Plan Assets                                   | -                            | -                         | -                                     | -                          | -                         | -                                     | -                          | -                         | -                                     | -                                     |
|  | <b>(481)</b>                 | <b>(188)</b>              | <b>(293)</b>                          | <b>(373)</b>               | <b>(216)</b>              | <b>(157)</b>                          | <b>(173)</b>               | <b>-</b>                  | <b>(173)</b>                          | <b>(364)</b>                          |
| <b>Balance as at 31<sup>st</sup> March, 2025</b>                 | <b>2,972</b>                 | <b>55</b>                 | <b>2,917</b>                          | <b>2,824</b>               | <b>247</b>                | <b>2,578</b>                          | <b>510</b>                 | <b>-</b>                  | <b>510</b>                            | <b>-</b>                              |
|  |                              |                           |                                       |                            |                           |                                       | <b>701</b>                 |                           | <b>701</b>                            | <b>98</b>                             |
|  |                              |                           |                                       |                            |                           |                                       |                            |                           |                                       | <b>701</b>                            |

(₹ in Lakhs)



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### C. PLAN ASSETS

| Particulars             | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
|-------------------------|------------------------------|------------------------------|
| Fund managed by insurer | 100%                         | 100%                         |

### D. ACTUARIAL ASSUMPTIONS

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

| Particulars                             | 31 <sup>st</sup> March, 2025   | 31 <sup>st</sup> March, 2024 |
|---|--------------------------------|------------------------------|
| Discount rate                           | 6.85%                          | 7.21%                        |
| Expected rate of future salary increase | 5.50%                          | 5.50%                        |
| Mortality                               | 100% of IALM (2012 - 14) Urban |                              |

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)

| Particulars                                  | Gratuity                     |          |                              |          | Leave Encashment             |          |                              |          |
|--|------------------------------|----------|------------------------------|----------|------------------------------|----------|------------------------------|----------|
|  | 31 <sup>st</sup> March, 2025 |          | 31 <sup>st</sup> March, 2024 |          | 31 <sup>st</sup> March, 2025 |          | 31 <sup>st</sup> March, 2024 |          |
|  | Increase                     | Decrease | Increase                     | Decrease | Increase                     | Decrease | Increase                     | Decrease |
| Discount rate (1% movement)                  | 223                          | 264      | 211                          | 249      | -                            | -        | 73                           | 61       |
| Expected rate of future salary (1% movement) | 265                          | 228      | 251                          | 216      | -                            | -        | 73                           | 62       |

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:

- 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.
- 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.
- Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability –** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- 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 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### G. EXPECTED MATURITY ANALYSIS OF THE UNDISCOUNTED GRATUITY BENEFITS IS AS FOLLOWS

(₹ in Lakhs)

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>Duration of defined benefit payments</b> |                                       |                                       |
| Less than 1 year                            | 654                                   | 601                                   |
| Between 1-2 years                           | 144                                   | 106                                   |
| Between 3-5 years                           | 637                                   | 545                                   |
| Over 5 years                                | 4,964                                 | 5,104                                 |
| <b>Total</b>                                | <b>6,399</b>                          | <b>6,356</b>                          |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.00 years (31<sup>st</sup> March, 2024 : 10.00 years).

### 53. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

#### I. Fair value measurements Hierarchy

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2025 |              |            |          | As at 31 <sup>st</sup> March, 2024 |              |             |          |
|--|------------------------------------|--------------|------------|----------|------------------------------------|--------------|-------------|----------|
|  | Carrying Amount                    | Level 1      | Level 2    | Level 3  | Carrying Amount                    | Level 1      | Level 2     | Level 3  |
| <b>Financial Assets</b>  |                                    |              |            |          |                                    |              |             |          |
| <b>At Amortised Cost</b>   |                                    |              |            |          |                                    |              |             |          |
| Non current - Investments  | 3,997                              | -            | -          | -        | 3,997                              | -            | -           | -        |
| Other Non-Current Financial Assets                                       | 3,585                              | -            | -          | -        | 2,733                              | -            | -           | -        |
| <b>Current-Assets</b>  |                                    |              |            |          |                                    |              |             |          |
| Trade Receivables  | 49,975                             | -            | -          | -        | 45,483                             | -            | -           | -        |
| Cash and Cash Equivalents  | 6                                  | -            | -          | -        | 14                                 | -            | -           | -        |
| Bank Balances other than above   | 4,980                              | -            | -          | -        | 2,810                              | -            | -           | -        |
| Other Current Financial Assets   | 3,346                              | -            | -          | -        | 6,578                              | -            | -           | -        |
| <b>Total (A)</b>   | <b>65,889</b>                      | <b>-</b>     | <b>-</b>   | <b>-</b> | <b>61,614</b>                      | <b>-</b>     | <b>-</b>    | <b>-</b> |
| Investment in Mutual fund measured at fair value through profit and loss | 7,883                              | 7,883        | -          | -        | 1,027                              | 1,027        | -           | -        |
| <b>Total (B)</b>   | <b>7,883</b>                       | <b>7,883</b> | <b>-</b>   | <b>-</b> | <b>1,027</b>                       | <b>1,027</b> | <b>-</b>    | <b>-</b> |
| <b>Total Financial Assets (A+B)</b>                                      | <b>73,772</b>                      | <b>7,883</b> | <b>-</b>   | <b>-</b> | <b>62,641</b>                      | <b>1,027</b> | <b>-</b>    | <b>-</b> |
| <b>Financial Liabilities</b>   |                                    |              |            |          |                                    |              |             |          |
| <b>At Amortised Cost</b>   |                                    |              |            |          |                                    |              |             |          |
| Borrowings - Non Current   | 66,668                             | -            | -          | -        | 56,072                             | -            | -           | -        |
| Lease Liabilities - Non Current  | 213                                | -            | -          | -        | -                                  | -            | -           | -        |
| Other Financial Liabilities -Non Current                                 | 86                                 | -            | -          | -        | 96                                 | -            | -           | -        |
| Borrowings - Currents  | 39,707                             | -            | -          | -        | 44,340                             | -            | -           | -        |
| Lease Liabilities - Current  | 100                                | -            | -          | -        | 57                                 | -            | -           | -        |
| Trade Payables   | 58,869                             | -            | -          | -        | 41,641                             | -            | -           | -        |
| Other Current Financial Liabilities                                      | 11,060                             | -            | -          | -        | 14,208                             | -            | -           | -        |
| <b>At Fair Value through P&amp;L</b>                                     |                                    |              |            |          |                                    |              |             |          |
| Other Current Financial Liabilities                                      | 273                                | -            | 273        | -        | (21)                               | -            | (21)        | -        |
| <b>At Fair Value through OCI</b>   |                                    |              |            |          |                                    |              |             |          |
| Other Current Financial Liabilities                                      | (1)                                | -            | (1)        | -        | 1                                  | -            | 1           | -        |
|  | <b>1,76,975</b>                    | <b>7,883</b> | <b>272</b> | <b>-</b> | <b>1,56,395</b>                    | <b>1,027</b> | <b>(20)</b> | <b>-</b> |

**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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

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 ₹ 50,820 Lakhs (31<sup>st</sup> March, 2024 – ₹ 46,149 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 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### Reconciliation of Loss Allowance Provision – Trade Receivables

(₹ in Lakhs)

| Particulars                | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|----------------------------|---------------------------------------|---------------------------------------|
| Opening Balances           | 666                                   | 322                                   |
| Impairment Loss Recognised | 179                                   | 344                                   |
| Amount written back        | -                                     | -                                     |
| <b>Closing balance</b>     | <b>845</b>                            | <b>666</b>                            |

### 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 <sup>st</sup> March, 2025 | Total           | Within 1 Year          | 1–5 years     | More than 5 years |
| <b>NON-DERIVATIVE FINANCIAL LIABILITIES</b> |                              |                 |                        |               |                   |
| Borrowings - Non Current                    | 66,668                       | 66,668          | -                      | 55,062        | 11,606            |
| Lease Liabilities - Non Current             | 213                          | 213             | -                      | 213           | -                 |
| Other Financial Liabilities -Non Current    | 86                           | 86              | 11                     | 44            | 31                |
| Borrowings - Currents                       | 39,707                       | 39,707          | 39,707                 |               |                   |
| Lease Liabilities - Current                 | 100                          | 100             | 100                    | -             | -                 |
| Trade Payables                              | 58,869                       | 58,869          | 53,705                 | 5,164         | -                 |
| Other Current Financial Liabilities         | 11,060                       | 11,060          | 11,060                 | -             | -                 |
| <b>Total non-derivative liabilities</b>     | <b>1,76,703</b>              | <b>1,76,703</b> | <b>1,04,583</b>        | <b>60,483</b> | <b>11,637</b>     |
| <b>DERIVATIVES (NET SETTLED)</b>            |                              |                 |                        |               |                   |
| Foreign exchange forward contracts          | 272                          | 272             | 272                    | -             | -                 |
| <b>Total derivative liabilities</b>         | <b>272</b>                   | <b>272</b>      | <b>272</b>             | <b>-</b>      | <b>-</b>          |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars                                 | Carrying Amounts             |                 | Contractual Cash Flows |               |                   |
|---|------------------------------|-----------------|------------------------|---------------|-------------------|
|   | 31 <sup>st</sup> March, 2024 | Total           | Within 1 Year          | 1–5 years     | More than 5 years |
| <b>NON-DERIVATIVE FINANCIAL LIABILITIES</b> |                              |                 |                        |               |                   |
| Borrowings - Non Current                    | 56,072                       | 56,072          | -                      | 39,512        | 16,560            |
| Lease Liabilities - Non Current             | -                            | -               | -                      | -             | -                 |
| Other Financial Liabilities -Non Current    | 96                           | 96              | 11                     | 44            | 41                |
| Borrowings - Currents                       | 44,340                       | 44,340          | 44,340                 | -             | -                 |
| Lease Liabilities - Current                 | 57                           | 57              | 57                     | -             | -                 |
| Trade payables                              | 41,641                       | 41,641          | 41,534                 | 107           | -                 |
| Other current financial liabilities         | 14,208                       | 14,208          | 14,208                 | -             | -                 |
| <b>Total non-derivative liabilities</b>     | <b>1,56,414</b>              | <b>1,56,414</b> | <b>1,00,150</b>        | <b>39,663</b> | <b>16,601</b>     |
| <b>DERIVATIVES (NET SETTLED)</b>            |                              |                 |                        |               |                   |
| Foreign exchange forward contracts          | (20)                         | (20)            | (20)                   | -             | -                 |
| <b>Total derivative liabilities</b>         | <b>(20)</b>                  | <b>(20)</b>     | <b>(20)</b>            | <b>-</b>      | <b>-</b>          |

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 recognised 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 minimise 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 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 <sup>st</sup> March, 2025 |           |            |           | As at 31 <sup>st</sup> March, 2024 |          |          |           |
|---|------------------------------------|-----------|------------|-----------|------------------------------------|----------|----------|-----------|
|   | USD                                | EUR       | CHF        | JPY       | USD                                | EUR      | CHF      | JPY       |
| <b>Financial Instruments</b>                        |                                    |           |            |           |                                    |          |          |           |
| Trade receivables                                   | 337                                | (4)       | -          | -         | 197                                | (0)      | -        | -         |
| Trade payables                                      | (1)                                | (0)       | (0)        | -         | (1)                                | (6)      | (0)      | -         |
| Advance to trade payables                           | 3                                  | 14        | -          | 86        | 2                                  | 16       | 0        | 50        |
| Borrowings  | (370)                              | -         | -          | -         | (239)                              | (9)      | -        | -         |
| Derivatives - Forward Contracts                     | (295)                              | -         | -          | -         | (318)                              | -        | -        | -         |
| <b>Net statement of financial position exposure</b> | <b>(325)</b>                       | <b>10</b> | <b>(0)</b> | <b>86</b> | <b>(359)</b>                       | <b>1</b> | <b>0</b> | <b>50</b> |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31<sup>st</sup> 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.

(₹ in Lakhs)

| Particulars              | Profit or loss as on 31 <sup>st</sup> March, 2025 |           | Profit or loss as on 31 <sup>st</sup> March, 2024 |           |
|--------------------------|---|-----------|---|-----------|
|                          | Strengthening                                     | Weakening | Strengthening                                     | Weakening |
| <b>USD (1% movement)</b> | (278)   | 278       | (300)   | 300       |
| EUR (1% movement)        | 9   | (9)       | 1   | (1)       |
| CHF (1% movement)        | -   | -         | 0   | (0)       |
| JPY (1% movement)        | -   | -         | 0   | (0)       |

### 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.

(₹ in Lakhs)

| Particulars                      | Nominal Amount               |                              |
|----------------------------------|------------------------------|------------------------------|
|                                  | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| <b>Fixed-rate instruments</b>    |                              |                              |
| Financial assets                 | -                            | -                            |
| Financial liabilities            | 648                          | 790                          |
|                                  | <b>648</b>                   | <b>790</b>                   |
| <b>Variable-rate instruments</b> |                              |                              |
| Financial assets                 | -                            | -                            |
| Financial liabilities            | 71,862                       | 60,484                       |
|                                  | <b>71,862</b>                | <b>60,484</b>                |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 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 |
| <b>31<sup>st</sup> March, 2025</b> |                 |                 |
| Variable-rate instruments          | (719)           | 719             |
| <b>Cash flow sensitivity</b>       | <b>(719)</b>    | <b>719</b>      |
| <b>31<sup>st</sup> March, 2024</b> |                 |                 |
| Variable-rate instruments          | (605)           | 605             |
| <b>Cash flow sensitivity</b>       | <b>(605)</b>    | <b>605</b>      |

### 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.

#### 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          |
| <b>Foreign Currency Risk</b> |               |                 |                      |                           |                                     |
| Forward Contracts            | 29,382        | 273             | 273                  | April, 2025 to March 2026 | Other Current Financial Liabilities |

#### Hedged Items

| (₹ in Lakhs)                 |                 |                      |                                      |
|------------------------------|-----------------|----------------------|--------------------------------------|
| Particulars                  | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet           |
| <b>Foreign Currency Risk</b> |                 |                      |                                      |
| Trade Receivables            | 28,803          | 86                   | Financial Assets - Trade Receivables |

##### (ii) Cash Flow Hedge

During the year ended 31<sup>st</sup> March, 2025, 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 31<sup>st</sup> March, 2025 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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)

| Cash Flow Hedge       | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity | Line Item in Balance Sheet          |
|-----------------------|---------------|-----------------|----------------------|----------------|-------------------------------------|
| Foreign Currency Risk |               |                 |                      |                |                                     |
| Forward Contracts     | 25,214        | (1)             | (1)                  | July, 2025     | 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 | 25,214          | -                    | -                          |

The reconciliation of cash flow hedge reserve for the years ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024 is as follows:

(₹ in Lakhs)

| Particulars  | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
|--|--|--|
| Gain / (Loss)  |  |  |
| Balance at the beginning of the year                                   | 1  | 24   |
| Gain / (Loss) recognised in other comprehensive income during the year | (2)  | (23)                                       |
| Amount reclassified to profit and loss during the year                 | -  | -  |
| <b>Balance at the end of the year</b>                                  | <b>(1)</b>                                 | <b>1</b>                                   |

### 54 RATIO ANALYSIS

| S. No | Ratio                            |       | Basis  | FY 25 | FY 24 | % Change | Reason For Variance   |
|-------|----------------------------------|-------|--|-------|-------|----------|-----------------------|
| 1     | Current ratio                    | Times | Current assets / Current liabilities                   | 1.19  | 1.27  | (6%)     | Refer note i) below   |
| 2     | Debt-Equity ratio                | Times | Total Debt / Equity                                    | 1.06  | 1.02  | 4%       |                       |
| 3     | Debt service coverage ratio      | Times | Earnings for debt service* / Debt Service              | 1.61  | 1.81  | (11%)    | Refer note ii) below  |
| 4     | Return on equity ratio           | %     | Profit after tax / Shareholders' Equity                | 2.74% | 3.86% | (29%)    | Refer note iii) below |
| 5     | Inventory turnover ratio         | Times | Cost of Goods Sold** / Average inventory               | 3.62  | 3.53  | 3%       |                       |
| 6     | Trade receivables turnover ratio | Times | Revenue from operations / Average trade receivable     | 5.96  | 6.56  | (9%)     |                       |
| 7     | Trade payables turnover ratio    | Times | Cost of Goods Sold** / Average trade payables          | 4.36  | 6.40  | (32%)    |                       |
| 8     | Net capital turnover ratio       | Times | Revenue from operations / Working capital <sup>§</sup> | 13.22 | 9.34  | 41%      |                       |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

| S. No | Ratio                      |   | Basis   | FY 25 | FY 24 | % Change | Reason For Variance  |
|-------|----------------------------|---|---|-------|-------|----------|----------------------|
| 9     | Net profit ratio           | % | Net Profit/(Loss) after tax / Revenue from operations                         | 0.97% | 1.44% | (33%)    | Refer note iv) below |
| 10    | Return on capital employed | % | Earnings Before Interest and tax <sup>#</sup> / Capital Employed <sup>@</sup> | 6.65% | 6.40% | 4%       |                      |
| 11    | Return on investment       | % | PAT/Total Assets  | 0.96% | 1.43% | (33%)    | Refer note v) below  |

\*Earnings for Debt Service = Earnings before finance costs, depreciation and amortisation, 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 (recognised)

@Capital Employed = equity and total borrowings

- Current ratio (%)**: Current ratio has been decreased mainly because of increase in Current Liabilities.
- Debt service coverage ratio (%)**: Return on debt service coverage has been decreased mainly because of decrease in EBITDA and increase in Finance Cost.
- Return on Equity (%)**: Return on equity has been decreased mainly because of decrease in Net profit.
- Net profit ratio**: Decrease in net Profit is mainly because of decrease in profit.
- Return on investment (%)**: decrease in Return on Capital employed is mainly because of decrease in profit & Increase in fixed assets due to project are capitalised.

### 55. DISCLOSURE UNDER IND AS 116 "LEASES"

The Company has lease contract for building used in its operations. Lease of buildings has a lease term of 3 years.

#### Amount recognised in Statement of profit or loss

| (₹ in Lakhs)                           |  |  |
|--|--|--|
| Particulars                            | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
| Depreciation of right-of-use assets    | 131  | 155  |
| Interest Income on Security Deposit    | 79   | 142  |
| Interest Expenses on lease liabilities | 17   | 11   |

#### Maturity Pattern of lease liability

Finance Lease discounted

| (₹ in Lakhs)      |  |  |
|-------------------|--|--|
| Particulars       | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
| Less than 1 years | 100  | 57   |
| 1-3 years         | 213  | 0  |
| <b>Total</b>      | <b>313</b>                                 | <b>57</b>                                  |

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### Movement of Lease Liability

| (₹ in Lakhs)                       |  |  |
|------------------------------------|--|--|
| Particulars                        | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
| As at 1 April, 2024                | 57   | 219  |
| Additions                          | 389  | -  |
| Accretion of Interest              | 17   | 11   |
| Payment                            | 150  | 173  |
| As at 31 <sup>st</sup> March, 2025 | 313  | 57   |
| Current Lease Liability            | 100  | 57   |
| Non Current Lease Liability        | 213  | -  |

### Movement of Security Deposit

| (₹ in Lakhs)                          |  |  |
|---------------------------------------|--|--|
| Particulars                           | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
| As at 1 April, 2024                   | 1,672                                      | 1,530                                      |
| Additions                             | -  | -  |
| Accretion of Interest during the year | 79   | 142  |
| Payment                               | (549)                                      | -  |
| As at 31 <sup>st</sup> March, 2025    | 1,202                                      | 1,672                                      |

## 56 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 31<sup>st</sup> March, 2025 with any struck off companies.
- vii) There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- viii) The company has complied with the provisions of clause (87) of Section 2 of the Act with regard to the Companies (Restriction on number of Layers) Rules 2017
- ix) There is no Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

- 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.

### 57 SEGMENT INFORMATION

#### Operating Segment

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

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

- (b) 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.

|              | (₹ in Lakhs)    |                 |
|--------------|-----------------|-----------------|
| Revenues     | 2024-25         | 2023-24         |
| Domestic     | 1,72,050        | 1,78,062        |
| Export       | 1,12,251        | 86,735          |
| <b>TOTAL</b> | <b>2,84,301</b> | <b>2,64,797</b> |

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.

- (c) There are no assets in foreign countries held by the Company except the amounts due from the exports.
- (d) The Company does not have any major single customer / group of external customers having 10% of its revenue.

### 58 CORPORATE SOCIAL RESPONSIBILITY

- a) Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended 31<sup>st</sup> March, 2025 is ₹ 499 Lacs (during the year ended 31<sup>st</sup> March, 2024 is ₹ 163 Lacs). This includes ₹ Nil towards provision for unspent amount pertaining to ongoing projects (during the year ended 31<sup>st</sup> March, 2024 is ₹ Nil).

|   | (₹ in Lakhs)                 |                              |
|---|------------------------------|------------------------------|
| Particulars   | For the year ended           |                              |
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| a) Amount required to be spent by the Company during the year                                   | 263                          | 228                          |
| b) Amount of expenditure incurred on purpose (other than construction/acquisition of any asset) | 499                          | 163                          |
| c) Excess spend of prior year set off during the year   | 122                          | 187                          |



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars   | For the year ended           |                              |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| 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                           |
| <b>The CSR amount carry forward in next year.</b>     | <b>358</b>                   | <b>122</b>                   |

Expenditure related to Corporate Social Responsibility;

(₹ in Lakhs)

| Details of Expenditure related to CSR incurred during the year: | For the year ended           |                              |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| a) Environmental Sustainability                                 | 33                           | 24                           |
| b) Promoting Education  | 114                          | 58                           |
| c) Promoting Health Care  | 22                           | 50                           |
| d) Rural Development  | 9                            | 14                           |
| e) Promoting gender equality, empowering women and Old Age Home | 300                          | 0                            |
| f) Promoting Sports   | -                            | 0                            |
| g) Sanitation and making available safe drinking water          | -                            | 6                            |
| h) Protection of National Heritage, Art and Culture             | 10                           | 0                            |
| i) Eradication of Hunger, Poverty and Malnutrition              | 11                           | 11                           |
| <b>Total</b>  | <b>499</b>                   | <b>163</b>                   |

- b) Out of above ₹ 92 Lakhs (Previous Year ₹ 86 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 11 Lakhs (Previous year ₹ 11 Lakhs) spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

### 59 CONTRIBUTIONS TO POLITICAL PARTIES

Disclosure under the section 182(3)

(₹ in Lakhs)

| Particulars                       | For the year ended           |                              |
|-----------------------------------|------------------------------|------------------------------|
|                                   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| Contribution to political parties | -                            | -                            |

### 60 DISCLOSURE OF LOAN, INVESTMENT, GUARANTEE AND SECURITIES PROVIDED

Disclosure under the section 186(4)

(₹ in Lakhs)

| Particulars  | For the year ended           |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| Corporate Guarantee on behalf for subsidiary company against Term loan obtained from Canara Bank | 8,090                        | 10,700                       |
| Fair Value of Corporate Guarantee liability reversed on receipt of guarantee fees                | -                            | 1,011                        |
| Corporate Guarantee fees received from Subsidiary  | 11                           | 11                           |
| Corporate Guarantee fees received in advance from Subsidiary                                     | 86                           | 96                           |

The Guarantee has been provided for the loan taken by subsidiary for Business Purpose.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 61 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.

### 62 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 29<sup>th</sup> May, 2025.

The Board of Directors have recommended a dividend @20 % on equity share, subject to approval from the shareholders at the ensuing AGM.

### 63 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: 25104808BMJHDL7738

Place: Bhilwara

Date: 29<sup>th</sup> May, 2025

##### For O. P. Dad & Co.

Chartered Accountants

(Firm Registration No 002330C)

##### (Abishek Dad)

Partner

Membership No. 409237

UDIN: 25409237BMOVNS5871

Place : Bhilwara

Date: 29<sup>th</sup> May, 2025

#### For and on the Behalf of the Board

##### (R. P. Soni)

Chairman

(DIN 00401439)

##### (V. K. Sodani)

Executive Director

(DIN 00403740)

Place : Bhilwara

Date: 29<sup>th</sup> May, 2025

##### (Dr. S. N. Modani)

Vice Chairman

(DIN 00401498)

##### (S. R. Dakhera)

Chief Financial Officer

##### (Anurag Soni)

Managing Director

(DIN 03407094)

**CONSOLIDATED FINANCIAL  
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# INDEPENDENT AUDITORS' 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" or "the Company") and its subsidiary (Holding Company and its subsidiary together referred as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2025, 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 material 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 31<sup>st</sup> March, 2025, and its Consolidated profit, its Consolidated Total 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 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 31<sup>st</sup> March, 2025. 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  |
| <b>Capital Work In Progress (CWIP) Rs. 17229 lakhs (Refer Note 5 to the Consolidated Financial Statements)</b>   |   |
| The Company has two projects under progress for expansion of business. During the year there was addition of Rs. 13719 Lakhs to CWIP and projects of Rs. 18345 Lakhs were capitalised. | <b>Principal Audit Procedures performed</b><br>Our audit procedures included the following: <ol style="list-style-type: none"> <li>Examined the minutes of the Board of Directors' meetings to verify the approval of the expansion projects and any related decisions made during the year.</li> </ol> |



## INDEPENDENT AUDITORS' REPORT (CONTD.)

| The key audit matters   | How our audit addressed the key audit matter  |
|---|---|
| Since the CWIP is of a substantial amount and material in nature, we have considered the audit of the above area to be a key audit matter for reporting purpose | <ul style="list-style-type: none"> <li>ii. Reviewed the terms and conditions of contracts and purchase orders issued for the CWIP projects to ensure that the work performed aligns with the agreed scope and specifications.</li> <li>iii. Conducted site visits by the audit team to physically verify the progress of the projects, confirming the existence and stage of completion of the assets under construction.</li> <li>iv. Evaluated the company's processes for recording CWIP, including the review of bills submitted by contractors and vendors, and the certification process by the project team.</li> <li>v. Assessed the effectiveness of internal controls related to the issuance of contracts and purchase orders, including the identification of distinct performance obligations by the company and its contractors/vendors, ensuring compliance with Ind AS 16.</li> <li>vi. Selected a sample of contracts, vendor invoices, and bills, and compared them with the certifications by the project team. Verified subsequent payments by the accounts department against the terms of the contracts/ purchase orders and approvals by authorized personnel.</li> <li>vii. Traced the payments on a test check basis with the amounts recorded in the books of account, based on certified bills, to the corresponding bank statements to confirm the accuracy and occurrence of transactions.</li> <li>viii. Evaluated whether the percentage of completion of contract costs recorded in the books corresponds to the liabilities recognized and/or payments made, including performing reconciliations where necessary.</li> <li>ix. Held discussions with the management, accounts, and finance teams to address issues and observations related to CWIP, including the allocation of pre-operative expenses (3,885 lakhs yet to be allocated,) and borrowing costs capitalized (Note 39).</li> <li>x. Assessed the adequacy of disclosures in Note 5 regarding CWIP, including the breakdown of pre-operative expenses and borrowing costs, to ensure compliance with Ind AS 16 and Schedule III of the Companies Act, 2013.</li> </ul> |

### 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 Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, 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, compare with the financial statements of the subsidiary audited by one of the Joint auditor, to the extent

it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditor. 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 the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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 each 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 the Board of Directors of the Companies 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 the respective Management or Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Companies 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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.

### OTHER MATTER

The Consolidated Financial Statements includes financial statements of the subsidiary Company which reflects total assets of Rs. 9317 Lakhs as at 31<sup>st</sup> March, 2025 and total revenues of Rs. 1005 Lakhs and net cash outflow

of Rs. 1467, for the year then ended, as considered in the Consolidated Financial Statements, which have been audited by one of the joint auditors, whose report has been furnished to us by the Holding company's Management and our conclusions on the Consolidated Financial Statements, in so far as it related to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other Joint auditor. Our opinion on the Consolidated 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.

### 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 relating to preparation of the Consolidated Financial Statements.
  - (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 and the report of the Joint auditor.
  - (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.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors of the Holding

## INDEPENDENT AUDITORS' REPORT (CONTD.)

Company and the report of statutory auditors of the Subsidiary Company incorporated in India, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 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 Group 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) In our opinion, and to the best of our information and according to the explanation given to us, and based on the Joint auditor's report of the Subsidiary Company, the managerial remuneration for the year ended 31<sup>st</sup> March, 2025 has been paid/provided by the Holding Company and its Subsidiary to their respective directors is in accordance with the provisions of Section 197 read with schedule V of the Act.
- (h) 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. 50 to the Consolidated Financial Statements.
  - (ii) Provision has been made in the Consolidated Financial Statements, 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 during the year ended 31<sup>st</sup> March, 2025. There are no amounts required to be transferred by the Subsidiary to the Investor Education and Protection Fund during the year ended 31<sup>st</sup> March, 2025.

- (iv) (a) The respective management of the Holding Company and its Subsidiary Company incorporated in India whose financial statements have been audited under the Act has represented to us and the Joint Auditor 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 and its Subsidiary Company, incorporated in India whose financial statements have been audited under the Act has represented to us that, and one the Joint Auditor 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

## INDEPENDENT AUDITORS' REPORT (CONTD.)

- ("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 the auditor of the 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 (1) (h)(iv) (a) and (b) above contain any material misstatement.
- (v) The Dividend declared and paid by the Holding Company and Subsidiary during the year:
- (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable.
- (b) As stated in note 61 to the Consolidated financial statements, the Board of Directors of the Holding Company has recommended a dividend @ 20% on equity shares for the year, subject to the approval from the shareholders at the ensuing Annual General Meeting. The proposal for dividend is in accordance with section 123 of the Act, to the extent it applies to payment of dividend.
- (c) The Subsidiary company incorporated in India whose financial statements have been audited under the Act has neither declared, nor paid any dividends during the year, and accordingly provisions of Section 123 of the Act are not applicable to it, to the said extent.
- (vi) Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary, which is

a Company incorporated in India, whose financial statements has been audited under the Act, the Holding Company and its subsidiary which are companies incorporated in India, have used accounting software for maintaining their respective books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, during the course of our audit, we and one of the Joint auditors whose reports have been furnished to us by the management of the Holding Company, have not come across any instance of audit trail feature being tampered with in respect of the accounting software during the period for which the audit trail feature was operating.

2. 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 Rath**  
(Partner)  
Membership No: 104808  
UDIN:  
25104808BMJHDM1997

Place: Bhilwara  
Dated: 29<sup>th</sup> May, 2025

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

**Abhishek Dad**  
(Partner)  
Membership No: 409237  
UDIN-  
25409237BMOVNU8294

Place: Bhilwara  
Dated: 29<sup>th</sup> May, 2025



## **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 Statements of Sangam (India) Limited (herein after called as "Holding Company" or "the Company") and its subsidiary company as of 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March 2025, 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

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SANGAM (INDIA) LIMITED

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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. Our opinion is not modified in respect of the above matter.

**For R Kabra & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
104502W/W100721

**Deepa Rathi**  
(Partner)  
Membership No:104808  
UDIN:  
25104808BMJHDM1997  
Place: Bhilwara  
Dated: 29<sup>th</sup> May, 2025

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

**Abhishek Dad**  
(Partner)  
Membership No: 409237  
UDIN:  
25409237BMOVNU8294  
Place: Bhilwara  
Dated: 29<sup>th</sup> May, 2025

**CONSOLIDATED BALANCE SHEET**AS AT 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

| Particulars   | Notes   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>   |         |                                       |                                       |
| <b>Non-Current Assets</b>   |         |                                       |                                       |
| Property, Plant & Equipment   | 3       | 1,27,282                              | 1,00,401                              |
| Right of Use Assets   | 4       | 303                                   | 81                                    |
| Capital Work-in-Progress  | 5       | 17,229                                | 21,855                                |
| Intangible Assets   | 6       | 200                                   | 230                                   |
| Intangible Assets under Development   | 7       | 645                                   | 288                                   |
| <b>Financial Assets</b>   |         |                                       |                                       |
| (i) Investments   | 8       | 75                                    | 75                                    |
| (ii) Other Financial Assets   | 9       | 3,548                                 | 2,749                                 |
| Other Non Current Assets  | 10      | 7,673                                 | 11,531                                |
| <b>TOTAL NON-CURRENT ASSETS</b>   |         | <b>1,56,955</b>                       | <b>1,37,210</b>                       |
| <b>Current Assets</b>   |         |                                       |                                       |
| Inventories   | 11      | 57,591                                | 66,942                                |
| <b>Financial Assets</b>   |         |                                       |                                       |
| (i) Investments   | 12      | 7,883                                 | 1,027                                 |
| (ii) Trade Receivables  | 13      | 51,753                                | 44,840                                |
| (iii) Cash and Cash equivalents   | 14      | 195                                   | 17                                    |
| (iv) Bank balances other than (iii) above   | 15      | 5,000                                 | 2,810                                 |
| (v) Other Current Financial Assets  | 16      | 3,472                                 | 6,805                                 |
| Current Tax Assets (Net)  | 17      | 476                                   | 867                                   |
| Other Current Assets  | 18      | 12,200                                | 12,375                                |
| <b>TOTAL CURRENT ASSETS</b>   |         | <b>1,38,570</b>                       | <b>1,35,683</b>                       |
| <b>TOTAL ASSETS</b>   |         | <b>2,95,525</b>                       | <b>2,72,893</b>                       |
| <b>EQUITY AND LIABILITIES</b>   |         |                                       |                                       |
| <b>Equity</b>   |         |                                       |                                       |
| Equity Share Capital  | 19      | 5,025                                 | 5,025                                 |
| Other Equity  | 20      | 95,653                                | 93,407                                |
| Share Warrants  | 21      | -                                     | -                                     |
| <b>TOTAL EQUITY</b>   |         | <b>1,00,678</b>                       | <b>98,432</b>                         |
| <b>Liabilities</b>  |         |                                       |                                       |
| <b>Non-Current Liabilities</b>  |         |                                       |                                       |
| <b>Financial Liabilities</b>  |         |                                       |                                       |
| (i) Borrowings  | 22      | 72,169                                | 61,872                                |
| (ia) Lease Liabilities  | 23      | 213                                   | 34                                    |
| (ii) Other Financial Liabilities  | 24      | -                                     | -                                     |
| Provisions  | 25      | 2,172                                 | 1,908                                 |
| Deferred Tax Liabilities (Net)  | 26      | 4,353                                 | 3,647                                 |
| <b>TOTAL NON-CURRENT LIABILITIES</b>  |         | <b>78,907</b>                         | <b>67,461</b>                         |
| <b>Current Liabilities</b>  |         |                                       |                                       |
| <b>Financial Liabilities</b>  |         |                                       |                                       |
| (i) Borrowings  | 27      | 41,300                                | 44,630                                |
| (ia) Lease Liabilities  | 28      | 100                                   | 60                                    |
| (ii) Trade Payables (Includes Acceptances)  | 29      |                                       |                                       |
| A) Total outstanding dues of Micro enterprises and Small enterprises                      |         | 2,233                                 | 2,030                                 |
| B) Total outstanding dues of Creditors other than Micro enterprises and Small enterprises |         | 58,049                                | 40,628                                |
| (iii) Other Financial Liabilities   | 30      | 11,275                                | 14,472                                |
| Other Current Liabilities   | 31      | 1,651                                 | 3,723                                 |
| Provisions  | 32      | 1,332                                 | 1,457                                 |
| <b>TOTAL CURRENT LIABILITIES</b>  |         | <b>1,15,940</b>                       | <b>1,07,000</b>                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |         | <b>2,95,525</b>                       | <b>2,72,893</b>                       |
| Material accounting policies and notes to financial statements                            | 1 to 63 |                                       |                                       |

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: 25104808BMJHDM1997

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

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

**(Abishek Dad)**  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNU8294

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

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

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

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

**(Dr. S. N. Modani)**  
Vice Chairman  
(DIN 00401498)

**(S. R. Dakhera)**  
Chief Financial Officer

**(Anurag Soni)**  
Managing Director  
(DIN 03407094)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

| Particulars   | Notes   | 2024-25         | 2023-24         |
|---|---------|-----------------|-----------------|
| <b>INCOME</b>   |         |                 |                 |
| Revenue from Operations   | 33      | 2,85,695        | 2,62,806        |
| Other Income  | 34      | 1,537           | 1,279           |
| <b>Total Income</b>   |         | <b>2,87,232</b> | <b>2,64,085</b> |
| <b>EXPENSES</b>   |         |                 |                 |
| Cost of Materials Consumed  | 35      | 1,64,394        | 1,54,025        |
| Purchases of Traded Goods   | 36      | 6,764           | 3,865           |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 37      | 973             | (2,312)         |
| Employee Benefits Expenses  | 38      | 26,625          | 25,778          |
| Finance Costs   | 39      | 9,468           | 7,143           |
| Depreciation and Amortisation Expense   | 40      | 11,449          | 9,681           |
| Power & Fuel  | 41      | 29,924          | 29,935          |
| Other Expenses  | 42      | 32,551          | 29,967          |
| <b>Total Expenses</b>   |         | <b>2,82,148</b> | <b>2,58,082</b> |
| <b>Profit before exceptional items and tax</b>                                |         | <b>5,084</b>    | <b>6,003</b>    |
| Exceptional Items   | 43      | 664             | 664             |
| <b>Profit before tax</b>  |         | <b>4,420</b>    | <b>5,339</b>    |
| <b>Tax Expenses</b>   |         |                 |                 |
| Current Tax   |         | 455             | 1,097           |
| Deferred Tax  |         | 695             | 188             |
| Tax Expense for Earlier Years   |         | 90              | (28)            |
| <b>Total Tax Expenses</b>   |         | <b>1,240</b>    | <b>1,257</b>    |
| <b>Profit After Tax</b>   |         | <b>3,180</b>    | <b>4,082</b>    |
| <b>Other comprehensive income</b>   | 44      |                 |                 |
| <b>Items that will not be reclassified to profit or loss</b>                  |         |                 |                 |
| Remeasurement of defined benefit plans  |         | 81              | (24)            |
| Tax relating to remeasurement of defined benefit plans                        |         | (12)            | 6               |
|   |         | 69              | (18)            |
| <b>Items that will be reclassified to profit or loss</b>                      |         |                 |                 |
| Fair value changes on derivatives designated as cash flow hedges              |         | (2)             | (23)            |
| Tax on items that will be reclassified subsequently to Profit & Loss          |         | 0               | 6               |
|   |         | (2)             | (17)            |
| <b>Total Other Comprehensive Income for the year</b>                          |         | <b>67</b>       | <b>(35)</b>     |
| <b>Total Comprehensive Income for the year</b>                                |         | <b>3,247</b>    | <b>4,047</b>    |
| <b>Earnings per equity share of face value of ₹ 10 each</b>                   | 45      |                 |                 |
| Basic EPS before exceptional items  |         | 7.65            | 9.55            |
| Basic EPS after exceptional items   |         | 6.33            | 8.21            |
| Diluted EPS Before exceptional items  |         | 7.65            | 9.55            |
| Diluted EPS after exceptional items   |         | 6.33            | 8.21            |
| Material accounting policies and notes to financial statements                | 1 to 63 |                 |                 |

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)

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

**(Dr. S. N. Modani)**  
Vice Chairman  
(DIN 00401498)

**(Anurag Soni)**  
Managing Director  
(DIN 03407094)

**(Deepa Rathi)**  
Partner  
Membership No.104808  
UDIN: 25104808BMJHDM1997

**(Abishek Dad)**  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNU8294

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

**(S. R. Dakhera)**  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

**CONSOLIDATED CASH FLOW STATEMENT**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

(₹ in Lakhs)

| Particulars  | For the year ended<br>31 <sup>st</sup> March, 2025 | For the year ended<br>31 <sup>st</sup> March, 2024 |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                     |  |  |
| Net Profit Before Tax  | 4,420  | 5,339  |
| Adjustments for :-   |  |  |
| Depreciation and Amortisation Expense  | 11,449   | 9,681  |
| Finance Costs  | 9,468  | 7,143  |
| Bad Debts / Allowance for Doubtful Debts   | 157  | 318  |
| Advances Written Off / Provision No Longer Required                              | 223  | 383  |
| Interest Income  | (838)  | (507)  |
| Foreign Exchange Fluctuation Gain/ (Loss) (Net)                                  | 141  | 162  |
| Mutual fund (Gain)/ Loss (Net)   | (144)  | (297)  |
| Employee Retirement Benefits   | 81   | (24)   |
| Other Comprehensive Income/ (Loss)   | -  | -  |
| Profit on Sale of Property, Plant & Equipments (Net)                             | (148)  | (39)   |
| <b>Operating Profit before working capital changes</b>                           | <b>24,810</b>                                      | <b>22,159</b>                                      |
| Movements in Working Capital :-  |  |  |
| (Increase) / Decrease in Inventories   | 9,351  | (15,548)   |
| (Increase) / Decrease in Trade Receivables                                       | (1,768)  | (10,038)   |
| (Increase) / Decrease in Other Financial Assets                                  | 3,493  | (1,095)  |
| (Increase) / Decrease in Other Assets  | (108)  | (1,476)  |
| Increase / (Decrease) in Trade Payables  | 12,181   | 19,972   |
| Increase / (Decrease) in Other Financial Liabilities                             | (2,695)  | 420  |
| Increase / (Decrease) in Provisions  | 137  | 1,011  |
| Increase / (Decrease) in Other Liabilities                                       | (2,082)  | 1,836  |
| <b>Cash Generated from Operations</b>  | <b>43,319</b>                                      | <b>17,241</b>                                      |
| Taxes Paid / (Refund) (Net)  | 154  | 1,235  |
| <b>Net Cash Inflow / (Out Flow) from Operating Activities</b>                    | <b>43,165</b>                                      | <b>16,006</b>                                      |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                     |  |  |
| Purchase of Property, Plant & Equipments (including CWIP, Capital Advances etc.) | (31,480)   | (40,828)   |
| Sale of Property, Plant & Equipments   | 340  | 1,522  |
| Interest Income  | 653  | 393  |
| Investment made Sale / Purchase (Net)  | (6,711)  | (1,020)  |
| Sale of Investment   | -  | 976  |
| <b>Net Cash Inflow / (Outflow) from Investing Activities</b>                     | <b>(37,198)</b>                                    | <b>(38,957)</b>                                    |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                     |  |  |
| Proceeds from issue of Equity Share Capital (Including Share Premium)            | -  | 7,020  |
| Proceeds from issue of Share Warrant   | -  | -  |
| Proceeds from Long Term Borrowings   | 21,956   | 33,856   |
| Repayment of Long Term Borrowings  | (9,716)  | (5,439)  |
| Increase / (Decrease) in Short- Term Borrowings                                  | (5,325)  | (4,289)  |
| Finance Costs  | (9,509)  | (7,157)  |
| Fees for Corporate Guarantee (Subsidiary)  | -  | -  |
| Dividend Paid  | (1,005)  | (1,010)  |
| <b>Net Cash Inflow / (Out Flow) from Financing Activities</b>                    | <b>(3,599)</b>                                     | <b>22,981</b>                                      |
| Net Increase/(Decrease) in Cash & Cash equivalents                               | 2,368  | 30   |
| Cash and Cash Equivalents at the Beginning                                       | 2,827  | 2,797  |
| <b>Cash and Cash Equivalents at the End</b>                                      | <b>5,195</b>                                       | <b>2,827</b>                                       |

#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 31<sup>ST</sup> MARCH, 2025 (CONTD.)

## Change in Liability arising from financing activities

(₹ in Lakhs)

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2024 | Cash Flow    | Adjustment<br>on account of<br>regrouping | As at<br>31 <sup>st</sup> March, 2025 |
|---|---------------------------------------|--------------|---|---------------------------------------|
| Borrowings - Non Current<br>(Refer Note No. 22) | 61,872                                | 11,236       | (940)                                     | 72,169                                |
| Borrowings - Current<br>(Refer Note No. 27)     | 44,630                                | (4,270)      | 940                                       | 41,300                                |
| <b>Total</b>                                    | <b>1,06,502</b>                       | <b>6,966</b> | <b>-</b>                                  | <b>1,13,469</b>                       |

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2023 | Cash Flow     | Adjustment<br>on account of<br>regrouping | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------|---|---------------------------------------|
| Borrowings - Non Current<br>(Refer Note No. 22) | 33,953                                | 28,417        | (498)                                     | 61,872                                |
| Borrowings - Current<br>(Refer Note No. 27)     | 48,420                                | (4,289)       | 498                                       | 44,630                                |
| <b>Total</b>                                    | <b>82,373</b>                         | <b>24,128</b> | <b>-</b>                                  | <b>1,06,502</b>                       |

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)

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

**(Dr. S. N. Modani)**  
Vice Chairman  
(DIN 00401498)

**(Anurag Soni)**  
Managing Director  
(DIN 03407094)

**(Deepa Rathi)**  
Partner  
Membership No. 104808  
UDIN: 25104808BMJHDM1997

**(Abishek Dad)**  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNU8294

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

**(S. R. Dakhara)**  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place : Bhilwara  
Date: 29<sup>th</sup> May, 2025

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025**(a) EQUITY SHARE CAPITAL**

| As at 31 <sup>st</sup> March, 2025 | Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period (refer Note no.20) |
|------------------------------------|--|--|---|---|---|
|                                    | 5,025  | -  | 5,025   | -   | 5,025   |

| As at 31 <sup>st</sup> March, 2024 | Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period (refer Note no.20) |
|------------------------------------|--|--|---|---|---|
|                                    | 4,505  | -  | 4,505   | 520   | 5,025   |

**(b) OTHER EQUITY**

| Particulars                                     | Reserves and Surplus |                    |                 |   |                   | Other Comprehensive Income            | Total   |
|---|----------------------|--------------------|-----------------|---|-------------------|---------------------------------------|---------|
|   | Capital Reserve      | Securities Premium | General Reserve | Preference Share Capital Redemption Reserve | Retained Earnings | Effective Portion of Cash Flow Hedges |         |
| Balance at 1 <sup>st</sup> April, 2024          | 297                  | 20,839             | 22,818          | 1,178                                       | 48,280            | (4)                                   | 93,407  |
| Profit for the year                             | -                    | -                  | -               | -   | 3,180             | -                                     | 3,180   |
| Other comprehensive income for the year         | -                    | -                  | -               | -   | 69                | (2)                                   | 68      |
| Total comprehensive income for the year         | -                    | -                  | -               | -   | 3,250             | (2)                                   | 3,249   |
| Dividends paid                                  | -                    | -                  | -               | -   | (1,005)           | -                                     | (1,005) |
| Security premium on Issue of Equity Shares      | -                    | -                  | -               | -   | -                 | -                                     | -       |
| Balance as at 31 <sup>st</sup> March, 2025      | 297                  | 20,839             | 22,818          | 1,178                                       | 50,525            | (5)                                   | 95,653  |
| Balance as at 1 <sup>st</sup> April 2023        | 297                  | 11,999             | 22,818          | 1,178                                       | 45,163            | 13                                    | 81,468  |
| Profit for the year                             | -                    | -                  | -               | -   | 4,139             | -                                     | 4,139   |
| Other comprehensive income/ (loss) for the year | -                    | -                  | -               | -   | (18)              | (17)                                  | (35)    |
| Total comprehensive income for the year         | -                    | -                  | -               | -   | 4,121             | (17)                                  | 4,104   |
| Dividends paid                                  | -                    | -                  | -               | -   | (1,005)           | -                                     | (1,005) |
| Security premium on Issue of Equity Shares      | -                    | 8,840              | -               | -   | -                 | -                                     | 8,840   |
| Balance at 31 <sup>st</sup> March, 2024         | 297                  | 20,839             | 22,818          | 1,178                                       | 48,280            | (4)                                   | 93,407  |

The accompanying notes are an integral part of these financial statements

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)

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

(Dr. S. N. Modani) (Anurag Soni)  
Vice Chairman Managing Director  
(DIN 00401498) (DIN 03407094)

(Deepa Rathi)  
Partner  
Membership No.104808  
UDIN: 25104808BMJHDM1997

(Abishek Dad)  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNU8294

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

(S. R. Dakhera)  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025

## 1. GENERAL INFORMATION:

Sangam (India) Limited ("the Holding Company"), is a public limited company domiciled in India and was incorporated on 29<sup>th</sup> 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 district Bhilwara and Soniyana in district Chittorgarh in Rajasthan and caters both the domestic and export markets.

The Company is having 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.

## 1(A). BASIS OF ACCOUNTING

- (i) 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.
- (ii) 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 03<sup>rd</sup> December, 2021 and became the wholly owned subsidiary of the parent company from the date of incorporation.

- (iii) 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.

## 1(B) 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 unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiary have been harmonised 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 recognised directly in other equity attributable to the owners of the Parent Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 2. 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.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 29<sup>th</sup> May, 2025.

#### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ 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. |
|--|---|--|
| <b>Plant and Equipment and Electrical Installations:</b> |   |  |
| (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 recognised prospectively.

### JUDGMENTS

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

- Classification of 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

fair value hierarchy in which the valuations should be classified.

Fair values are categorised 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 categorised 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 recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

#### LIABILITIES:

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

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

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

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

#### 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 recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy. Any excess of net sale proceeds of items produced



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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 recognised 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 derecognised 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 recognised in the statement of profit and loss.

### **C. Depreciation and amortisation:**

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:

| <b>Assets</b>  | <b>Useful Life estimated by the management (Based on Technical Evaluation)</b> |
|--|--|
| <b>Plant and Equipment and Electrical Installations:</b> |  |
| (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.

Capitalised 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 amortisation 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

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enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognised 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 recognised in the statement of profit and loss.

Finite life intangible assets are amortised on a straight line basis over the period of their expected useful lives.

### AMORTISATION

A summary of the policies applied to the intangible assets is, as follows:

| Intangible assets | Useful life Amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised 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 capitalised 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, investment property, intangible assets and investments in subsidiary company to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised 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,

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such deficit is recognised 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 been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### G. Financial Instruments

#### I. FINANCIAL ASSETS

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised at fair value on initial recognition except trade receivables.

Financial assets are subsequently classified as measured at:

- Amortised 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 derecognises 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 recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised 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 amortised cost are deducted from the gross carrying amount of the assets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 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 recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised 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 recognised in the Statement of Profit and Loss.

### Derecognition

A financial liability is derecognised 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 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 recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising 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 recognised 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 recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised 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.

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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 recognised 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 capitalised / 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 recognised 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 amortised 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 recognised in statement of profit or loss except to the extent that it relates to an item recognised 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 recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### DEFERRED TAX

Deferred tax is recognised 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 recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 recognises 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 realised. Deferred tax assets- unrecognised or recognised, are reviewed at each reporting date and are recognised /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.



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### J. Inventories

Inventories are valued at the lower of cost and net realisable 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 realisable 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:

- changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- 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

- The functional currency and presentation currency of the Company is Indian Rupee.
- 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 recognised in profit or loss in the period in which they arise except for:

- 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
- 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 recognised in balance sheet in respect of gratuity (unfunded) is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

##### (b) Other employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which

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the employees render the related service. They are therefore measured as present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

### II. DEFINED CONTRIBUTION PLAN:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

### III. SHORT-TERM BENEFITS:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related services are recognised in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

### 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 recognised as a finance cost.

The amount recognised 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 if any occurred on assets used in fulfilling the contract.

### P. Contingent Assets

Contingent Assets are not recognised 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 recognised 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 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 recognised when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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, recognises 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### INITIAL MEASUREMENT

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

### SUBSEQUENT MEASUREMENT

Lease Liability: Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications. Right-of-use assets: subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the 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 recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

### 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 1<sup>st</sup> 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

There are no standards issued after 1<sup>st</sup> April 2023 resulting into any amendments in IND AS.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 3. PROPERTY, PLANT AND EQUIPMENT

As at 31<sup>st</sup> March, 2025

(₹ in Lakhs)

| Particulars               | Gross Carrying Amount              |               |              | Accumulated Depreciation           |                                    |               |              | Net Carrying Amount                |                                    |                                    |
|---------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|------------------------------------|
|                           | As at 31 <sup>st</sup> March, 2024 | Additions     | Disposals    | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 | Additions     | Disposals    | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| <b>Tangible Assets</b>    |                                    |               |              |                                    |                                    |               |              |                                    |                                    |                                    |
| Freehold land             | 4,514                              | 323           | -            | 4,837                              | -                                  | -             | -            | -                                  | 4,837                              | 4,514                              |
| Building                  | 35,035                             | 7,205         | 7            | 42,233                             | 5,863                              | 1,260         | -            | 7,123                              | 35,110                             | 29,172                             |
| Plant and Machinery       | 92,331                             | 24,718        | 1,855        | 1,15,194                           | 36,743                             | 8,261         | 1,752        | 43,252                             | 71,942                             | 55,588                             |
| Wind Power Machines       | 874                                | -             | -            | 874                                | 767                                | -             | -            | 767                                | 107                                | 107                                |
| Electric installation     | 12,354                             | 4,041         | 57           | 16,338                             | 4,556                              | 1,092         | 38           | 5,610                              | 10,728                             | 7,799                              |
| Water supply installation | 704                                | 637           | -            | 1,341                              | 176                                | 43            | -            | 219                                | 1,122                              | 528                                |
| Furniture and fixtures    | 1,973                              | 909           | 3            | 2,879                              | 1,096                              | 177           | 1            | 1,272                              | 1,607                              | 876                                |
| Vehicles                  | 2,156                              | 262           | 139          | 2,279                              | 737                                | 229           | 69           | 897                                | 1,382                              | 1,419                              |
| Office equipments         | 141                                | 14            | -            | 155                                | 88                                 | 15            | -            | 103                                | 52                                 | 53                                 |
| Computers                 | 840                                | 177           | 1            | 1,016                              | 537                                | 126           | 1            | 662                                | 354                                | 303                                |
| <b>Leased Assets</b>      |                                    |               |              |                                    |                                    |               |              |                                    |                                    |                                    |
| Leasehold land            | 50                                 | -             | -            | 50                                 | 8                                  | 1             | -            | 9                                  | 41                                 | 42                                 |
| <b>Total</b>              | <b>1,50,971</b>                    | <b>38,286</b> | <b>2,062</b> | <b>1,87,196</b>                    | <b>50,571</b>                      | <b>11,204</b> | <b>1,861</b> | <b>59,914</b>                      | <b>1,27,282</b>                    | <b>1,00,401</b>                    |

As at 31<sup>st</sup> March, 2024

| Particulars               | Gross Carrying Amount              |               |              | Accumulated Depreciation           |                                    |              |              | Net Carrying Amount                |                                    |                                    |
|---------------------------|------------------------------------|---------------|--------------|------------------------------------|------------------------------------|--------------|--------------|------------------------------------|------------------------------------|------------------------------------|
|                           | As at 31 <sup>st</sup> March, 2023 | Additions     | Disposals    | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 | Additions    | Disposals    | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| <b>Tangible Assets</b>    |                                    |               |              |                                    |                                    |              |              |                                    |                                    |                                    |
| Freehold land             | 4,138                              | 504           | 128          | 4,514                              | -                                  | -            | -            | -                                  | 4,514                              | 4,138                              |
| Building                  | 26,401                             | 8,732         | 98           | 35,035                             | 4,853                              | 1,010        | -            | 5,863                              | 29,172                             | 21,548                             |
| Plant and Machinery       | 71,381                             | 25,436        | 4,486        | 92,331                             | 32,980                             | 7,030        | 3,267        | 36,743                             | 55,588                             | 38,401                             |
| Wind Power Machines       | 874                                | -             | -            | 874                                | 767                                | -            | -            | 767                                | 107                                | 107                                |
| Electric installation     | 8,602                              | 3,761         | 9            | 12,354                             | 3,732                              | 832          | 9            | 4,556                              | 7,799                              | 4,870                              |
| Water supply installation | 649                                | 55            | -            | 704                                | 149                                | 27           | -            | 176                                | 528                                | 500                                |
| Furniture and fixtures    | 1,611                              | 364           | 2            | 1,973                              | 935                                | 163          | 2            | 1,096                              | 876                                | 676                                |
| Vehicles                  | 2,302                              | 371           | 517          | 2,156                              | 896                                | 222          | 381          | 737                                | 1,419                              | 1,406                              |
| Office equipments         | 140                                | 1             | -            | 141                                | 71                                 | 17           | -            | 88                                 | 53                                 | 69                                 |
| Computers                 | 635                                | 205           | -            | 840                                | 430                                | 107          | -            | 537                                | 303                                | 205                                |
| <b>Leased Assets</b>      |                                    |               |              |                                    |                                    |              |              |                                    |                                    |                                    |
| Leasehold land            | 50                                 | -             | -            | 50                                 | 7                                  | 1            | -            | 8                                  | 42                                 | 43                                 |
| <b>Total</b>              | <b>1,16,783</b>                    | <b>39,428</b> | <b>5,240</b> | <b>1,50,971</b>                    | <b>44,820</b>                      | <b>9,410</b> | <b>3,659</b> | <b>50,571</b>                      | <b>1,00,401</b>                    | <b>71,963</b>                      |





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 4. RIGHT OF USE OF ASSETS

As at 31<sup>st</sup> March, 2025

(₹ in Lakhs)

| Particulars  | Gross Carrying Amount              |            |           | Accumulated Depreciation           |                                    |            |           | Net Carrying Amount                |                                    |                                    |
|--------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
|              | As at 31 <sup>st</sup> March, 2024 | Additions  | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 | Additions  | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| Building     | 490                                | 357        | -         | 847                                | 409                                | 135        | -         | 544                                | 303                                | 81                                 |
| <b>Total</b> | <b>490</b>                         | <b>357</b> | <b>-</b>  | <b>847</b>                         | <b>409</b>                         | <b>135</b> | <b>-</b>  | <b>544</b>                         | <b>303</b>                         | <b>81</b>                          |

As at 31<sup>st</sup> March, 2024

(₹ in Lakhs)

| Particulars  | Gross Carrying Amount              |           |           | Accumulated Depreciation           |                                    |            |           | Net Carrying Amount                |                                    |                                    |
|--------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
|              | As at 31 <sup>st</sup> March, 2023 | Additions | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 | Additions  | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Building     | 490                                | -         | -         | 490                                | 250                                | 159        | -         | 409                                | 81                                 | 240                                |
| <b>Total</b> | <b>490</b>                         | <b>-</b>  | <b>-</b>  | <b>490</b>                         | <b>250</b>                         | <b>159</b> | <b>-</b>  | <b>409</b>                         | <b>81</b>                          | <b>240</b>                         |

### 5. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

|  |               |
|--|---------------|
| Balance as at 1 <sup>st</sup> April, 2023        | 22,298        |
| Additions  | 38,439        |
| Assets Capitalised                               | 38,882        |
| <b>Balance as at 31<sup>st</sup> March, 2024</b> | <b>21,855</b> |
| Additions  | 13,719        |
| Assets Capitalised                               | 18,345        |
| <b>Balance as at 31<sup>st</sup> March, 2025</b> | <b>17,229</b> |

Capital work-in-progress - Ageing

| 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                     |                                |              |           |                   |               |
| <b>As at 31<sup>st</sup> March, 2025</b> | <b>13,719</b>                  | <b>3,510</b> | <b>-</b>  | <b>-</b>          | <b>17,229</b> |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>13,391</b>                  | <b>8,464</b> | <b>-</b>  | <b>-</b>          | <b>21,855</b> |

There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

### 6. INTANGIBLE ASSETS

As at 31<sup>st</sup> March, 2025

(₹ in Lakhs)

| Particulars       | Gross Carrying Amount              |           |           | Accumulated Depreciation           |                                    |            |           | Net Carrying Amount                |                                    |                                    |
|-------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
|                   | As at 31 <sup>st</sup> March, 2024 | Additions | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 | Additions  | Disposals | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
| Software IT (ERP) | 689                                | 84        | -         | 773                                | 459                                | 114        | -         | 573                                | 200                                | 230                                |
| <b>Total</b>      | <b>689</b>                         | <b>84</b> | <b>-</b>  | <b>773</b>                         | <b>459</b>                         | <b>114</b> | <b>-</b>  | <b>573</b>                         | <b>200</b>                         | <b>230</b>                         |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

As at 31<sup>st</sup> March, 2024

(₹ in Lakhs)

| Particulars       | Gross Carrying Amount              |           |           |                                    | Accumulated Depreciation           |            |           |                                    | Net Carrying Amount                |                                    |
|-------------------|------------------------------------|-----------|-----------|------------------------------------|------------------------------------|------------|-----------|------------------------------------|------------------------------------|------------------------------------|
|                   | As at 31 <sup>st</sup> March, 2023 | Additions | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 | Additions  | Disposals | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
| Software IT (ERP) | 671                                | 18        | -         | 689                                | 347                                | 112        | -         | 459                                | 230                                | 324                                |
| <b>Total</b>      | <b>671</b>                         | <b>18</b> | <b>-</b>  | <b>689</b>                         | <b>347</b>                         | <b>112</b> | <b>-</b>  | <b>459</b>                         | <b>230</b>                         | <b>324</b>                         |

### 7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

|  |            |
|--|------------|
| Balance as at 1 <sup>st</sup> April, 2023        | 9          |
| Additions  | 288        |
| Assets Capitalised                               | 9          |
| <b>Balance as at 31<sup>st</sup> March, 2024</b> | <b>288</b> |
| Additions  | 388        |
| Assets Capitalised                               | 31         |
| <b>Balance as at 31<sup>st</sup> March, 2025</b> | <b>645</b> |

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                     |   |            |           |                   |            |
| <b>As at 31<sup>st</sup> March, 2025</b> | <b>388</b>  | <b>257</b> | <b>-</b>  | <b>-</b>          | <b>645</b> |
| <b>As at 31<sup>st</sup> March, 2024</b> | <b>288</b>  | <b>-</b>   | <b>-</b>  | <b>-</b>          | <b>288</b> |

Break up of Pre - Operative Expenses capitalised/ deferred for capitalisation under Capital Work in Progress:

(₹ in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
|---|------------------------------------|------------------------------------|
| Opening Balance   | 1,269                              | 1,050                              |
| Financial Charges                                       | 2,420                              | 1,525                              |
| Direct Costs Attributable to Project                    | 4,895                              | 907                                |
| <b>Total Amount</b>                                     | <b>8,584</b>                       | <b>3,482</b>                       |
| Less: Exp. Apportioned to Property, Plant and Equipment | 4,699                              | 2,213                              |
| <b>Balance yet to be allocated</b>                      | <b>3,885</b>                       | <b>1,269</b>                       |

Note 1:- Borrowing cost capitalised refer Note No. 39.

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No. 22 and 27.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 8 INVESTMENTS-NON CURRENT

| (₹ in Lakhs)                                      |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars                                       | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| <b>Unquoted</b>                                   |                                       |                                       |
| <b>In Equity Instruments</b>                      |                                       |                                       |
| <b>(Measured at Cost)</b>                         |                                       |                                       |
| <b>Equity Shares of ₹ 10/- each fully paid up</b> |                                       |                                       |
| Kaamlo Platform Pvt Ltd                           | 75                                    | 75                                    |
| 49,999 (Previous Year 49,999)                     |                                       |                                       |
| <b>Equity Shares of ₹ 20/- each fully paid</b>    |                                       |                                       |
| AP Mahesh Co-Operative Bank Ltd.                  | -                                     | -                                     |
| 50 (Previous Year 50)                             |                                       |                                       |
| ₹ 1,000 (Previous Year ₹ 1,000)                   |                                       |                                       |
| <b>Aggregate Amount of Unquoted Investments</b>   | <b>75</b>                             | <b>75</b>                             |

### 9 OTHER FINANCIAL ASSETS

| (₹ in Lakhs)   |                                       |                                       |
|--|---------------------------------------|---------------------------------------|
| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Security Deposits (Unsecured, considered good)             | 3,548                                 | 2,749                                 |
| <b>TOTAL</b>   | <b>3,548</b>                          | <b>2,749</b>                          |
| Includes deposits with related parties (at amortised cost) | 1,203                                 | 1,673                                 |

### 10 OTHER NON-CURRENT ASSETS

| (₹ in Lakhs)                                   |                                       |                                       |
|--|---------------------------------------|---------------------------------------|
| Particulars                                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Capital Advances                               | 5,967                                 | 9,358                                 |
| Advance Other than Capital Advance             |                                       |                                       |
| SIL Employees welfare trust (Refer Note No.48) | 5                                     | -                                     |
| Prepaid Expenses (Refer Note No. 43)           | 1,701                                 | 2,173                                 |
| <b>TOTAL</b>                                   | <b>7,673</b>                          | <b>11,531</b>                         |

### 11 INVENTORIES

| (₹ in Lakhs)                              |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars                               | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Raw Materials (Includes Packing Material) | 19,928                                | 28,245                                |
| Work-in-Progress                          | 8,286                                 | 9,432                                 |
| Finished Goods (Refer Note No 11.3)       | 26,549                                | 26,375                                |
| Stock-in-trade                            | 36                                    | 51                                    |
| Stores, Spares & Fuel                     | 2,792                                 | 2,839                                 |
| <b>TOTAL</b>                              | <b>57,591</b>                         | <b>66,942</b>                         |

**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** Finished Goods includes Goods in Transit ₹ 3,733 Lakhs, Previous year ₹ 4,094 Lakhs.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 12 INVESTMENTS - CURRENT

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Quoted  |                                       |                                       |
| Investment in Mutual funds                            | 7,711                                 | 1,000                                 |
| Add.: Fair Value through P&L Account                  | 172                                   | 27                                    |
| Aggregate value of quoted investments                 | 7,883                                 | 1,027                                 |
| Aggregate value of unquoted investments               | -                                     | -                                     |
| Aggregate value of impairment in value of investments | -                                     | -                                     |
| <b>Total Amount of Quoted Investment</b>              | <b>7,883</b>                          | <b>1,027</b>                          |

### 13 TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Undisputed Trade Receivables - Considered good - Unsecured                    | 51,753                                | 44,840                                |
| Undisputed Trade Receivables - which have significant increase in Credit Risk | -                                     | -                                     |
| Undisputed Trade Receivables - Credit Impaired                                | 845                                   | 666                                   |
|   | <b>52,598</b>                         | <b>45,506</b>                         |
| Less: Provision for Trade Receivables   | 845                                   | 666                                   |
| <b>TOTAL</b>  | <b>51,753</b>                         | <b>44,840</b>                         |

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<br>- 1 year | 1-2 year     | 2-3 year   | > 3 year   |               |
| <b>As at 31 March, 2025</b>   |                                      |               |                      |              |            |            |               |
| Undisputed Trade receivables – considered good                                | 163                                  | 42,683        | 6,769                | 2,008        | 131        | (1)        | 51,753        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -                                    | -             | -                    | -            | -          | -          | -             |
| Undisputed Trade Receivables – credit impaired                                | -                                    | -             | -                    | 205          | 180        | 460        | 845           |
| Disputed Trade receivables – considered good                                  | -                                    | -             | -                    | -            | -          | -          | -             |
| Disputed Trade Receivables – which have significant increase in credit risk   | -                                    | -             | -                    | -            | -          | -          | -             |
| Disputed Trade Receivables – credit impaired                                  | -                                    | -             | -                    | -            | -          | -          | -             |
| <b>Total</b>  | <b>163</b>                           | <b>42,683</b> | <b>6,769</b>         | <b>2,213</b> | <b>311</b> | <b>459</b> | <b>52,598</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

₹ 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   |               |
| <b>As at 31 March 2024</b>  |                                      |               |                   |            |            |            |               |
| Undisputed Trade receivables – considered good                                | -                                    | 42,623        | 1,739             | 388        | 90         | -          | 44,840        |
| Undisputed Trade Receivables – which have significant increase in credit risk | -                                    | -             | -                 | -          | -          | -          | -             |
| Undisputed Trade Receivables – credit impaired                                | -                                    | -             | -                 | 235        | 134        | 297        | 666           |
| Disputed Trade receivables – considered good                                  | -                                    | -             | -                 | -          | -          | -          | -             |
| Disputed Trade Receivables – which have significant increase in credit risk   | -                                    | -             | -                 | -          | -          | -          | -             |
| Disputed Trade Receivables – credit impaired                                  | -                                    | -             | -                 | -          | -          | -          | -             |
| <b>Total</b>  | -                                    | <b>42,623</b> | <b>1,739</b>      | <b>623</b> | <b>224</b> | <b>297</b> | <b>45,506</b> |

**13.2** Above Trade Receivables are hypothecated against secured short term borrowings (Refer Note No. 27.1).

**13.3** There are no debts due by the directors/ other officers of the Company or any firms or private companies respectively in which such directors/ other officers are partners or directors.

### 14 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars        | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------|---------------------------------------|---------------------------------------|
| Balance with Banks | 191                                   | 10                                    |
| Cash on Hand       | 4                                     | 7                                     |
| <b>TOTAL</b>       | <b>195</b>                            | <b>17</b>                             |

### 15 BANK BALANCES OTHER THAN (III) ABOVE

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| Earmarked Balances with banks for Unclaimed & Unpaid Dividends# | 15                                    | 15                                    |
| Fixed Deposits with banks against Margin Money*                 | 4,985                                 | 2,795                                 |
| <b>TOTAL</b>  | <b>5,000</b>                          | <b>2,810</b>                          |

# Amount held in an earmarked bank account for unpaid dividends and is not available for use by The Company.

\*These Fixed Deposits are placed as a security against bank guarantees issued to various parties and against letters of credits issued by banks.





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 16 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| <b>(Unsecured considered good)</b>                                     |                                       |                                       |
| Security Deposits  | 326                                   | 276                                   |
| Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 46) | 567                                   | 1,210                                 |
| Export Incentive Receivable  | 578                                   | 1,027                                 |
| Export Growth Entitlement Receivables                                  | 108                                   | 202                                   |
| Capital Advance  | 28                                    | 0                                     |
| GST Refund Receivable  | 616                                   | 2,150                                 |
| Subsidy Receivable   | 643                                   | 664                                   |
| Inter Corporate Deposits - Unsecured                                   | 0                                     | 502                                   |
| Advance against Supplies   | 0                                     | 148                                   |
| Usage receivable (Utility Services)                                    | 0                                     | 33                                    |
| Advance to Employees   | 91                                    | 91                                    |
| Interest Receivable  | 513                                   | 329                                   |
| Accrued Income   | 0                                     | 16                                    |
| Insurance and other Claim Receivable                                   | 2                                     | 157                                   |
| <b>TOTAL</b>   | <b>3,472</b>                          | <b>6,805</b>                          |

### 17 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

| Particulars                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Advance Tax                    | 389                                   | 850                                   |
| TDS Receivables                | 378                                   | 306                                   |
| TCS Receivables                | 5                                     | 3                                     |
| Refund Receivables             | 159                                   | 805                                   |
| Less: Provision for Income Tax | 455                                   | 1,097                                 |
| <b>TOTAL</b>                   | <b>476</b>                            | <b>867</b>                            |

### 18 OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Recoverable from others                        | 5                                     | 25                                    |
| Advance against Supplies                       | 2,702                                 | 2,821                                 |
| SIL Employees welfare trust (Refer Note No.48) | 1,762                                 | 1,496                                 |
| GST Balances                                   | 6,230                                 | 6,953                                 |
| Excise / VAT Recoverable                       | 1                                     | 1                                     |
| Prepaid Expenses                               | 1,500                                 | 1,080                                 |
| <b>TOTAL</b>                                   | <b>12,200</b>                         | <b>12,375</b>                         |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>A. AUTHORISED SHARE CAPITAL:</b>   |                                       |                                       |
| 6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each   | 6,400                                 | 6,400                                 |
| <b>TOTAL</b>  | <b>6,400</b>                          | <b>6,400</b>                          |
| Issued, Subscribed and Paid Up:   |                                       |                                       |
| 5,02,46,559 (Previous Year 5,02,46,559) Equity share of ₹ 10 each fully paid up   | 5,025                                 | 5,025                                 |
| <b>TOTAL</b>  | <b>5,025</b>                          | <b>5,025</b>                          |
| 1. The Company has issued 57,00,000 share warrants of ₹ 10 each, at premium of ₹ 170 per warrant on 13 <sup>th</sup> November, 2021, in accordance with provisions of section 23 (1) (b), 42, 62(1) (c). These warrants were converted in previous years as per terms and conditions of issue |                                       |                                       |
| On 28 <sup>th</sup> April, 2023   | -                                     | 370                                   |
| On 2 <sup>nd</sup> June, 2023   | -                                     | 150                                   |

### 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.

### C. RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND END OF THE YEAR :

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| No. of Shares at the beginning   | 5,02,46,559                           | 4,50,46,559                           |
| Add: Shares Issued During the year   |                                       |                                       |
| (i) For consideration received in Cash on conversion of share warrants               | -                                     | 52,00,000                             |
| (ii) For issuing shares without payment being received in Cash (Sweat Equity Shares) | -                                     | -                                     |
| <b>No. of Shares at the year end</b>   | <b>5,02,46,559</b>                    | <b>5,02,46,559</b>                    |

### D. SHAREHOLDERS' HOLDING MORE THAN 5% SHARES IN THE COMPANY:

| Particulars                                  | As at 31 <sup>st</sup> March, 2025 |        | As at 31 <sup>st</sup> March, 2024 |        |
|--|------------------------------------|--------|------------------------------------|--------|
|  | No. of Shares                      | % held | No. of Shares                      | % held |
| <b>Name of the Shareholder</b>               |                                    |        |                                    |        |
| Sangam E-Com Limited                         | 95,67,542                          | 19.04  | 95,67,542                          | 19.04  |
| Authum Investment and Infrastructure Limited | 48,87,533                          | 9.73   | 48,60,123                          | 9.67   |
| Nidhi Mercantiles Ltd.                       | 38,28,868                          | 7.62   | 38,28,868                          | 7.62   |
| Anurag Soni                                  | 44,38,665                          | 8.83   | 44,38,665                          | 8.83   |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### E. SHARE RESERVED FOR ISSUE UNDER OPTION AND CONTRACTS OR COMMITMENTS FOR THE SALE OF SHARE OR DISINVESTMENT, INCLUDING THE TERMS AND AMOUNT

#### Equity shares reserved out of unissued Equity Share Capital

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| (i) For issue to eligible employees under the Employees Share Option Scheme 2022 (ESOP 2022) |                                       |                                       |
| ESOPs granted and outstanding  |                                       |                                       |
| (a) No. of ESOP Granted during the Year  | -                                     | 1,31,500                              |
| (b) No. of ESOP Outstanding  | 2,43,600                              | 3,45,150                              |
| (c) Face Value per Equity Share (₹)  | 10                                    | 10                                    |

### F. FOR THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE DATE AT WHICH THE BALANCE SHEET IS PREPARED

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| 1. Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2024  | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2023: sweat equity shares issued  | -                                     | 11,25,000                             |
| As at 31 <sup>st</sup> March, 2022  | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2021  | -                                     | -                                     |
| As at 31 <sup>st</sup> March, 2020  | -                                     | -                                     |
| 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 31<sup>st</sup> March, 2025

| Particulars                        | No. of Shares as<br>at 31.03.2025 | No. of Shares as<br>at 31.03.2024 | % of total share<br>as at 31.03.2025 | % change during<br>the year |
|------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------|
| Ram Pal Soni HUF                   | 2,48,300                          | 2,48,300                          | 0.49%                                | 0%                          |
| Anjana Soni Thakur                 | 3,03,750                          | 3,03,750                          | 0.60%                                | 0%                          |
| Radhadevi Soni                     | 9,77,761                          | 9,77,761                          | 1.95%                                | 0%                          |
| Mamta Modani                       | 6,30,404                          | 6,30,404                          | 1.25%                                | 0%                          |
| Archana Sodani                     | 6,10,774                          | 6,10,774                          | 1.22%                                | 0%                          |
| Antima Soni                        | 3,46,050                          | 3,46,050                          | 0.69%                                | 0%                          |
| Anurag Soni                        | 44,38,665                         | 44,38,665                         | 8.83%                                | 0%                          |
| Ram Pal Soni                       | 21,53,950                         | 21,53,950                         | 4.29%                                | 0%                          |
| Dr. Shri Niwas Modani              | 6,24,779                          | 6,24,779                          | 1.24%                                | 0%                          |
| Vinod Kumar Sodani                 | 6,25,000                          | 6,25,000                          | 1.24%                                | 0%                          |
| Pranal Modani                      | 5,00,000                          | 5,00,000                          | 1.00%                                | 0%                          |
| <b>Promoters (A)</b>               | <b>1,14,59,433</b>                | <b>1,14,59,433</b>                | <b>22.81%</b>                        |                             |
| Hawamahal Finance Pvt Ltd          | 23,35,500                         | 23,35,500                         | 4.65%                                | 0%                          |
| Necco Shipping Company Private Ltd | 12,74,744                         | 12,74,744                         | 2.54%                                | 0%                          |
| Neelgagan Commercial Company Ltd   | 16,00,000                         | 16,00,000                         | 3.18%                                | 0%                          |
| Sarvodaya Holdings Private Limited | 11,27,771                         | 11,27,771                         | 2.24%                                | 0%                          |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

| Particulars                                  | No. of Shares as at 31.03.2025 | No. of Shares as at 31.03.2024 | % of total share as at 31.03.2025 | % change during the year |
|--|--------------------------------|--------------------------------|-----------------------------------|--------------------------|
| Sangam Fincap Limited                        | 23,16,145                      | 23,16,145                      | 4.61%                             | 0%                       |
| Sahyog Finance Limited                       | 6,32,750                       | 6,32,750                       | 1.26%                             | 0%                       |
| Sangam Suiting Pvt Ltd                       | 11,12,685                      | 11,12,685                      | 2.21%                             | 0%                       |
| Nidhi Mercantiles Ltd.                       | 38,28,868                      | 38,28,868                      | 7.62%                             | 0%                       |
| Sangam E-Com Limited                         | 95,67,542                      | 95,67,542                      | 19.04%                            | 0%                       |
| <b>Promoters Group (B)</b>                   | <b>2,37,96,005</b>             | <b>2,37,96,005</b>             | <b>47.36%</b>                     |                          |
| <b>Promoters &amp; Promoters Group (A+B)</b> | <b>3,52,55,438</b>             | <b>3,52,55,438</b>             | <b>70.16%</b>                     |                          |

### As at 31<sup>st</sup> March, 2024

| Particulars                                  | No. of Shares as at 31.03.2024 | No. of Shares as at 31.03.2023 | % of total share as at 31.03.2024 | % change during the year |
|--|--------------------------------|--------------------------------|-----------------------------------|--------------------------|
| Ram Pal Soni HUF                             | 2,48,300                       | 2,48,300                       | 0.49%                             | 0%                       |
| Anjana Soni Thakur                           | 3,03,750                       | 2,03,750                       | 0.60%                             | 49%                      |
| Radhadevi Soni                               | 9,77,761                       | 7,77,761                       | 1.95%                             | 26%                      |
| Mamta Modani                                 | 6,30,404                       | 5,05,404                       | 1.25%                             | 25%                      |
| Archana Sodani                               | 6,10,774                       | 4,60,774                       | 1.22%                             | 33%                      |
| Antima Soni                                  | 3,46,050                       | 2,46,050                       | 0.69%                             | 41%                      |
| Anurag Soni                                  | 44,38,665                      | 38,38,665                      | 8.83%                             | 16%                      |
| Ram Pal Soni                                 | 21,53,950                      | 14,53,950                      | 4.29%                             | 48%                      |
| Dr. Shri Niwas Modani                        | 6,24,779                       | 4,99,779                       | 1.24%                             | 25%                      |
| Vinod Kumar Sodani                           | 6,25,000                       | 6,25,000                       | 1.24%                             | 0%                       |
| Pranal Modani                                | 5,00,000                       | 5,00,000                       | 1.00%                             | 0%                       |
| Vinod Kumar Sodani HUF                       | -                              | 5,000                          | 0.00%                             | (100%)                   |
| <b>Promoters (A)</b>                         | <b>1,14,59,433</b>             | <b>93,64,433</b>               | <b>22.81%</b>                     |                          |
| Hawamahal Finance Pvt Ltd                    | 23,35,500                      | 23,35,500                      | 4.65%                             | 0%                       |
| Necco Shipping Company Private Ltd           | 12,74,744                      | 12,74,744                      | 2.54%                             | 0%                       |
| Neelgagan Commercial Company Ltd             | 16,00,000                      | 14,00,000                      | 3.18%                             | 14%                      |
| Sarvodaya Holdings Private Limited           | 11,27,771                      | 11,27,771                      | 2.24%                             | 0%                       |
| Sangam Fincap Limited                        | 23,16,145                      | 22,16,145                      | 4.61%                             | 5%                       |
| Sahyog Finance Limited                       | 6,32,750                       | 2,32,750                       | 1.26%                             | 172%                     |
| Sangam Suiting Pvt Ltd                       | 11,12,685                      | 11,12,685                      | 2.21%                             | 0%                       |
| Nidhi Mercantiles Ltd.                       | 38,28,868                      | 38,28,868                      | 7.62%                             | 0%                       |
| Sangam E Com Limited                         | 95,67,542                      | 87,67,542                      | 19.04%                            | 9%                       |
| <b>Promoters Group (B)</b>                   | <b>2,37,96,005</b>             | <b>2,22,96,005</b>             | <b>47.36%</b>                     |                          |
| <b>Promoters &amp; Promoters Group (A+B)</b> | <b>3,52,55,438</b>             | <b>3,16,60,438</b>             | <b>70.16%</b>                     |                          |

## 20 OTHER EQUITY

(₹ in Lakhs)

| Particulars                           | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
|---------------------------------------|------------------------------------|------------------------------------|
| <b>Capital Reserve</b>                |                                    |                                    |
| Balance at the beginning of the year  | 297                                | 297                                |
| Addition during the Financial Year    | -                                  | -                                  |
| <b>Balance at the end of the year</b> | <b>297</b>                         | <b>297</b>                         |
| <b>Securities Premium</b>             |                                    |                                    |
| Balance at the beginning of the year  | 20,839                             | 11,999                             |
| Addition during the Financial Year *  | -                                  | 8,840                              |
| <b>Balance at the end of the year</b> | <b>20,839</b>                      | <b>20,839</b>                      |

\*Refer Note No. 19

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>Preference Share Capital Redemption Reserve</b>  |                                       |                                       |
| Balance at the beginning of the year                | 1,178                                 | 1,178                                 |
| Addition during the Financial Year                  | -                                     | -                                     |
| <b>Balance at the end of the year</b>               | <b>1,178</b>                          | <b>1,178</b>                          |
| <b>General Reserve</b>                              |                                       |                                       |
| Balance at the beginning of the year                | 22,818                                | 22,818                                |
| Addition during the Financial Year                  | -                                     | -                                     |
| <b>Balance at the end of the year</b>               | <b>22,818</b>                         | <b>22,818</b>                         |
| <b>Retained Earnings</b>                            |                                       |                                       |
| Balance at the beginning of the year                | 48,280                                | 45,164                                |
| Add: Profit for the year                            | 3,180                                 | 4,139                                 |
| Add: Other comprehensive income/(loss) for the year | 69                                    | (18)                                  |
| Less: Appropriations                                |                                       |                                       |
| Dividend on Equity Shares (Refer Note No.21.6)      | 1,005                                 | 1,005                                 |
| <b>Balance at the end of the year</b>               | <b>50,525</b>                         | <b>48,280</b>                         |
| <b>Other Comprehensive Income</b>                   |                                       |                                       |
| Balance at the beginning of the year                | (4)                                   | 13                                    |
| Addition / (Deletion) during the year               | (2)                                   | (17)                                  |
| <b>Balance at the end of the year</b>               | <b>(6)</b>                            | <b>(4)</b>                            |
| <b>TOTAL</b>  | <b>95,653</b>                         | <b>93,407</b>                         |

### Nature and Purpose of Other Reserves / Other Equity

#### 20.1 CAPITAL RESERVE

Capital Reserve created on account of merger/ amalgamation. This is to be utilised for issue of fully paid bonus shares and as per provisions of the Companies Act, 2013.

#### 20.2 SECURITIES PREMIUM

Balance of Security premium consists of premium on issue of share over its face value. This is to be utilised for issue of fully paid bonus shares, buy-back of its own shares as per provisions of the Companies Act, 2013.

#### 20.3 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 utilised for issue of bonus share as per provisions of the Companies Act, 2013.

#### 20.4 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.

#### 20.5 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).





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 20.6 DIVIDEND

The following dividends were declared and paid by the Company during the year.

| Particulars   | (₹ in Lakhs)                          |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Dividend for the year ended 31 <sup>st</sup> March, 2024 ₹ 2 per share (31 <sup>st</sup> March, 2023 ₹ 2 per share) | 1,005                                 | 1,005                                 |
|   | <b>1,005</b>                          | <b>1,005</b>                          |

### 21 SHARE WARRANTS

| Particulars   | (₹ in Lakhs)                          |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Balance at the beginning of the year                            | -                                     | 2,340                                 |
| Add:- Issued during the year                                    | -                                     | -                                     |
| Less:- Converted into fully paid Equity Share during the year * | -                                     | 2,340                                 |
| <b>Balance at the end of the year</b>                           | <b>-</b>                              | <b>-</b>                              |

\*During the previous year, warrant holders made payment of the balance 75% amount due on these warrants and exercised the option to convert 37,00,000 share warrants on 28<sup>th</sup> April, 2023 and 15,00,000 on 2<sup>nd</sup> June, 2023.

### 22 BORROWINGS

| Particulars                  | (₹ in Lakhs)                          |                                       |
|------------------------------|---------------------------------------|---------------------------------------|
|                              | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| <b>Secured</b>               |                                       |                                       |
| <b>Term Loans From Banks</b> |                                       |                                       |
| Rupee Loans                  | 71,782                                | 61,378                                |
| Vehicle Loans                | 387                                   | 494                                   |
| <b>TOTAL</b>                 | <b>72,169</b>                         | <b>61,872</b>                         |

**22.1** 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.

**22.2** Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s).

**22.3** There is no default in repayment or interest of any loans on due dates.

**22.4** The terms and conditions for repayment of loans are as under:

**As at 31<sup>st</sup> March, 2025**

#### A) FLOATING RATE-CARRYING FLOATING INTEREST RATE 1YR MCLR+ 0% TO 0.65%

| Date of maturity               | (₹ in Lakhs)                                   |                       |                     |   |
|--------------------------------|--|-----------------------|---------------------|---|
|                                | Outstanding as on 31 <sup>st</sup> March, 2025 |                       |                     |   |
|                                | Total<br>Outstanding                           | Long Term<br>Maturity | Current<br>Maturity | Instalments due after<br>31 <sup>st</sup> March, 2025 (Qtrly) |
| <b>From Banks:</b>             |  |                       |                     |   |
| 01 <sup>st</sup> October, 2028 | 1,305  | 1,058                 | 248                 | 15  |
| 01 <sup>st</sup> January, 2031 | 4,690  | 4,079                 | 612                 | 24  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Date of maturity               | Outstanding as on 31 <sup>st</sup> March, 2025 |                    |                  |  |
|--------------------------------|--|--------------------|------------------|--|
|                                | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2025 (Qtrly) |
| 01 <sup>st</sup> January, 2031 | 3,850  | 3,250              | 600              | 25   |
| 01 <sup>st</sup> January, 2032 | 9,900  | 9,600              | 300              | 28   |
| 31 <sup>st</sup> March, 2032   | 6,250  | 5,800              | 450              | 28   |
| 01 <sup>st</sup> January, 2032 | 3,700  | 3,400              | 300              | 28   |
| 01 <sup>st</sup> January, 2032 | 3,198  | 2,898              | 300              | 25   |
| 01 <sup>st</sup> January, 2033 | 4,755  | 4,484              | 272              | 32   |
| 01 <sup>st</sup> January, 2033 | 7,814  | 7,256              | 558              | 32   |
| 01 <sup>st</sup> January, 2033 | 2,763  | 2,513              | 250              | 32   |
| 31 <sup>st</sup> March, 2032   | 6,250  | 5,800              | 450              | 29   |
| 31 <sup>st</sup> March, 2032   | 5,800  | 5,500              | 300              | 29   |
| <b>Sub Total (A)</b>           | <b>60,276</b>                                  | <b>55,638</b>      | <b>4,639</b>     |  |

### B) CARRYING INTEREST RATE 6 MONTH MCLR+0.05% )

(₹ in Lakhs)

| Particulars                    | Outstanding as on 31 <sup>st</sup> March, 2025 |                    |                  |  |
|--------------------------------|--|--------------------|------------------|--|
|                                | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2025 (Qtrly) |
| <b>From Banks:</b>             |  |                    |                  |  |
| 01 <sup>st</sup> January, 2033 | 17,386   | 16,145             | 1,241            | 31   |
| <b>Sub Total (B)</b>           | <b>17,386</b>                                  | <b>16,145</b>      | <b>1,241</b>     |  |
| <b>Total (A+B)</b>             | <b>77,662</b>                                  | <b>71,782</b>      | <b>5,880</b>     |  |

### C) VEHICLE LOANS FROM BANKS

Carrying Fixed interest rate 6.80% to 9.75%

(₹ in Lakhs)

| Date of maturity     | Outstanding as on 31 <sup>st</sup> March, 2025 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2025 (Qtrly) |
| From Banks           | 648  | 387                | 261              | 1-57   |
| <b>Sub Total (C)</b> | <b>648</b>                                     | <b>387</b>         | <b>261</b>       |  |
| <b>Total (A+B+C)</b> | <b>78,310</b>                                  | <b>72,169</b>      | <b>6,141</b>     |  |

As at 31<sup>st</sup> March, 2024

### A) FLOATING RATE-CARRYING FLOATING INTEREST RATE 1 YR MCLR+ 0.35% TO 1.05%

(₹ in Lakhs)

| Date of maturity               | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|--------------------------------|--|--------------------|------------------|--|
|                                | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| <b>From Banks:</b>             |  |                    |                  |  |
| 30 <sup>th</sup> June, 2024    | 200  | -                  | 200              | 1  |
| 01 <sup>st</sup> July, 2025    | 1,350  | 538                | 812              | 5  |
| 30 <sup>th</sup> June, 2026    | 4,315  | 2,415              | 1,900            | 9  |
| 01 <sup>st</sup> October, 2028 | 1,564  | 1,373              | 191              | 18   |
| 01 <sup>st</sup> January, 2031 | 5,047  | 4,894              | 153              | 27   |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)**

(₹ in Lakhs)

| Date of maturity               | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|--------------------------------|--|--------------------|------------------|--|
|                                | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| 01 <sup>st</sup> January, 2031 | 4,450  | 3,850              | 600              | 28   |
| 01 <sup>st</sup> January, 2032 | 10,150   | 10,000             | 150              | 31   |
| 01 <sup>st</sup> January, 2032 | 2,122  | 1,972              | 150              | 31   |
| 01 <sup>st</sup> January, 2032 | 3,950  | 3,800              | 150              | 31   |
| 31 <sup>st</sup> March, 2032   | 12,739   | 12,149             | 590              | 31   |
| 31 <sup>st</sup> March, 2032   | 6,650  | 6,350              | 300              | 31   |
| 01 <sup>st</sup> January, 2033 | 3,432  | 3,432              | -                | 32   |
| 01 <sup>st</sup> January, 2033 | 3,225  | 3,225              | -                | 32   |
| 01 <sup>st</sup> January, 2033 | 127  | 127                | -                | 32   |
| <b>Sub Total (A)</b>           | <b>59,321</b>                                  | <b>54,125</b>      | <b>5,196</b>     |  |

**B) CARRYING INTEREST RATE 6 MONTH MCLR+0.05%**

(₹ in Lakhs)

| Date of maturity               | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|--------------------------------|--|--------------------|------------------|--|
|                                | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| <b>From Banks:</b>             |  |                    |                  |  |
| 01 <sup>st</sup> January, 2033 | 7,253  | 7,253              | -                | 32   |
| <b>Sub Total (B)</b>           | <b>7,253</b>                                   | <b>7,253</b>       | <b>-</b>         |  |
| <b>Total (A+B)</b>             | <b>66,574</b>                                  | <b>61,378</b>      | <b>5,196</b>     |  |

**C) VEHICLE LOANS FROM BANKS**

Carrying Fixed interest rate 6.80% to 10.05%

(₹ in Lakhs)

| Date of maturity     | Outstanding as on 31 <sup>st</sup> March, 2024 |                    |                  |  |
|----------------------|--|--------------------|------------------|--|
|                      | Total Outstanding                              | Long Term Maturity | Current Maturity | Instalments due after 31 <sup>st</sup> March, 2024 (Qtrly) |
| <b>From Banks:</b>   |  |                    |                  |  |
| From Banks           | 790  | 494                | 296              | 2-70   |
| <b>Sub Total (C)</b> | <b>790</b>                                     | <b>494</b>         | <b>296</b>       |  |
| <b>Total (A+B+C)</b> | <b>67,364</b>                                  | <b>61,872</b>      | <b>5,492</b>     |  |

**23 LEASE LIABILITIES**

(₹ in Lakhs)

| Particulars                         | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
|-------------------------------------|------------------------------------|------------------------------------|
| Lease Liability (Refer Note No. 55) | 213                                | 34                                 |
| <b>TOTAL</b>                        | <b>213</b>                         | <b>34</b>                          |

**24 OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

| Particulars                             | As at 31 <sup>st</sup> March, 2025 | As at 31 <sup>st</sup> March, 2024 |
|---|------------------------------------|------------------------------------|
| Value of Corporate Financial Guarantee* | -                                  | -                                  |
| <b>TOTAL</b>                            | <b>-</b>                           | <b>-</b>                           |

\*Corporate guarantee given on behalf of the Subsidiary Company



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 25 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| <b>Deferred Tax Assets</b>                                     |                                       |                                       |
| Accrued expenses allowable on payment basis                    | 1,029                                 | 982                                   |
| Allowance for Bad & Doubtful Debts                             | 213                                   | 168                                   |
| Related to Unabsorbed Depreciation & losses                    | 94                                    | 145                                   |
| <b>Total (A)</b>   | <b>1,336</b>                          | <b>1,295</b>                          |
| <b>Deferred Tax Liabilities</b>                                |                                       |                                       |
| Related to Property, Plant and Equipment and Intangible Assets | 5,689                                 | 4,942                                 |
| Others   | -                                     | -                                     |
| <b>Total (B)</b>   | <b>5,689</b>                          | <b>4,942</b>                          |
| <b>Deferred Tax Liabilities (Net) - (B)-(A)</b>                | <b>4,353</b>                          | <b>3,647</b>                          |

(₹ in Lakhs)

| Movement in deferred tax balances  | As at<br>31 <sup>st</sup> March, 2024 | Recognised<br>in P&L | Recognised<br>in OCI | As at<br>31 <sup>st</sup> March, 2025 |
|--|---------------------------------------|----------------------|----------------------|---------------------------------------|
| <b>A. (a) Deferred Tax Assets</b>  |                                       |                      |                      |                                       |
| Accrued expenses allowable on payment basis  | 982                                   | 59                   | (12)                 | 1,029                                 |
| Allowance for Bad & Doubtful Debts   | 168                                   | 45                   | -                    | 213                                   |
| <b>Related to Unabsorbed Depreciation &amp; losses</b>   | <b>145</b>                            | <b>(51)</b>          |                      | <b>94</b>                             |
| <b>Sub-Total (a)</b>   | <b>1,295</b>                          | <b>53</b>            | <b>(12)</b>          | <b>1,336</b>                          |
| <b>(b) Deferred Tax Liabilities</b>  |                                       |                      |                      |                                       |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation / amortisation for financial reporting | 4,942                                 | 747                  | -                    | 5,689                                 |
| Fair value changes on derivatives designated as cash flow hedges   | -                                     | -                    | -                    | -                                     |
| <b>Sub-Total (b)</b>   | <b>4,942</b>                          | <b>747</b>           | <b>-</b>             | <b>5,689</b>                          |
| <b>Deferred Tax Liabilities (Net) (b)-(a)</b>  | <b>3,647</b>                          | <b>694</b>           | <b>12</b>            | <b>4,353</b>                          |

(₹ in Lakhs)

| Movement in deferred tax balances  | As at<br>31 <sup>st</sup> March, 2023 | Recognised<br>in P&L | Recognised<br>in OCI | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|----------------------|----------------------|---------------------------------------|
| <b>(a) Deferred Tax Assets</b>   |                                       |                      |                      |                                       |
| Accrued expenses allowable on payment basis  | 714                                   | 274                  | (6)                  | 982                                   |
| Allowance for Bad & Doubtful Debts   | 81                                    | 87                   | -                    | 168                                   |
| Related to Unabsorbed Depreciation & losses  | -                                     | 145                  | -                    | 145                                   |
| <b>Sub-Total (a)</b>   | <b>795</b>                            | <b>506</b>           | <b>(6)</b>           | <b>1,295</b>                          |
| <b>(b) Deferred Tax Liabilities</b>  |                                       |                      |                      |                                       |
| Property, plant and equipment: Impact of difference between tax depreciation and depreciation / amortisation for financial reporting | 4,265                                 | 677                  | -                    | 4,942                                 |
| Fair value changes on derivatives designated as cash flow hedges   | -                                     | 6                    | 6                    | -                                     |
| <b>Sub-Total (b)</b>   | <b>4,265</b>                          | <b>683</b>           | <b>6</b>             | <b>4,942</b>                          |
| <b>Deferred Tax Liabilities (Net) (b)-(a)</b>  | <b>3,470</b>                          | <b>177</b>           | <b>12</b>            | <b>3,647</b>                          |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### B. AMOUNTS RECOGNISED IN PROFIT OR LOSS

(₹ in Lakhs)

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>Current tax expense</b>                        |                                       |                                       |
| Current Year                                      | 455                                   | 1,097                                 |
| Earlier Years                                     | 90                                    | (28)                                  |
|   | <b>545</b>                            | <b>1,069</b>                          |
| <b>Deferred tax expense</b>                       |                                       |                                       |
| Origination and reversal of temporary differences | 695                                   | 188                                   |
| <b>Total Tax Expense</b>                          | <b>1,240</b>                          | <b>1,257</b>                          |

### C. AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

| Particulars  | For the year ended 31 <sup>st</sup> March, 2025 |                           |            |
|--|---|---------------------------|------------|
|  | Before tax                                      | Tax (Expense) /<br>Income | Net of tax |
| Remeasurements of defined benefit liability                      | 81  | (12)                      | 69         |
| Fair value changes on derivatives designated as cash flow hedges | (2)   | -                         | (2)        |
| <b>TOTAL</b>   | <b>79</b>                                       | <b>(12)</b>               | <b>67</b>  |

| Particulars  | For the year ended 31 <sup>st</sup> March, 2024 |                           |             |
|--|---|---------------------------|-------------|
|  | Before tax                                      | Tax (Expense) /<br>Income | Net of tax  |
| Remeasurements of defined benefit liability                      | (24)  | 6                         | (18)        |
| Fair value changes on derivatives designated as cash flow hedges | (23)  | 6                         | (17)        |
|  | <b>(47)</b>                                     | <b>12</b>                 | <b>(35)</b> |

### D. THE INCOME TAX EXPENSES FOR THE YEAR RECONCILED TO THE ACCOUNTING PROFIT AS UNDER:

(₹ in Lakhs)

| Particulars   | 2024-25      | 2023-24      |
|---|--------------|--------------|
| Profit Before Tax   | 4,420        | 5,339        |
| Applicable Tax Rate *   | 25.17%       | 25.17%       |
| Computed Tax Expense  | 1,113        | 1,344        |
| <b>Tax effect of :</b>  |              |              |
| Exempted income / Items Considered Separately                                   | -            | 38           |
| Expenses Disallowed   | 3,738        | 3,130        |
| Additional Allowances   | (4,430)      | (3,431)      |
| <b>Current Tax Provision (A)</b>  | <b>420</b>   | <b>1,081</b> |
| Incremental Deferred Tax Liability on account of Tangible and Intangible Assets | 695          | 188          |
| <b>Taxes recognised in Statement of Profit &amp; Loss (B)</b>                   | <b>695</b>   | <b>188</b>   |
| <b>Net Taxes (A+B)</b>  | <b>1,115</b> | <b>1,269</b> |
| Effective Tax Rate  | 25.23%       | 23.77%       |

\*The Company has opted for option u/s 115BAA of Income Tax Act, 1961 and accordingly tax liabilities has been provided under the aforesaid provision.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 26 PROVISIONS

(₹ in Lakhs)

| Particulars                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------------|---------------------------------------|---------------------------------------|
| Provision for Gratuity         | 1,668                                 | 1,323                                 |
| Provision for Leave Encashment | 504                                   | 585                                   |
| <b>TOTAL</b>                   | <b>2,172</b>                          | <b>1,908</b>                          |

### 27 BORROWINGS

(₹ in Lakhs)

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>Secured</b>                              |                                       |                                       |
| <b>Loans Repayable on Demand from Banks</b> |                                       |                                       |
| Rupee Loans                                 | 3,528                                 | 16,976                                |
| Foreign Currency Loans                      | 31,631                                | 22,162                                |
| Current maturities of long term debts       | 6,141                                 | 5,492                                 |
| <b>TOTAL</b>                                | <b>41,300</b>                         | <b>44,630</b>                         |

**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 8.60 % to 9.50 % per annum, computed monthly and payable on demand.

**27.3** Foreign Currency Loans carry floating interest rate Sofr+0.50 to 2.00% per annum, computed monthly and payable on demand.

### 28 LEASE LIABILITIES

(₹ in Lakhs)

| Particulars                         | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Lease Liability (Refer Note No. 55) | 100                                   | 60                                    |
| <b>TOTAL</b>                        | <b>100</b>                            | <b>60</b>                             |

### 29 TRADE PAYABLES (INCLUDE ACCEPTANCES)

(₹ in Lakhs)

| Particulars  | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Total outstanding dues of Micro enterprises and Small enterprises<br>(Refer Note No. 49) | 2,233                                 | 2,030                                 |
| Total outstanding dues of creditors other than micro enterprises and Small enterprises   | 7,327                                 | 4,858                                 |
| Acceptances*   | 50,722                                | 35,770                                |
| <b>TOTAL</b>   | <b>60,282</b>                         | <b>42,658</b>                         |

\*Acceptances are arrangements where operational suppliers of goods and services are initially paid by banks/ financial institutions while the Company continues to recognise 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



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)**

**ANNEXURE 2 OF NOTE NO - 29**

**Trade payables aging schedule**

**AS AT 31 MARCH 2025**

| Particulars  | Outstanding from due date of payment |               |              |              |              |               |
|--|--------------------------------------|---------------|--------------|--------------|--------------|---------------|
|  | Unbilled                             | < 1 year      | 1-2 year     | 2-3 year     | > 3 year     | Total         |
| <b>Undisputed;</b>   |                                      |               |              |              |              |               |
| Total outstanding dues of micro enterprises and small enterprises                      |                                      | 2,144         | 89           |              |              | 2,233         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 921                                  | 51,685        | 5,887        | (107)        | (337)        | 58,049        |
| <b>Disputed;</b>   |                                      |               |              |              |              |               |
| <b>Total</b>   | <b>921</b>                           | <b>53,829</b> | <b>5,976</b> | <b>(107)</b> | <b>(337)</b> | <b>60,282</b> |

**AS AT 31 MARCH 2024**

| Particulars  | Outstanding from due date of payment |               |          |           |           |               |
|--|--------------------------------------|---------------|----------|-----------|-----------|---------------|
|  | Unbilled                             | < 1 year      | 1-2 year | 2-3 year  | > 3 year  | Total         |
| <b>Undisputed;</b>   |                                      |               |          |           |           |               |
| Total outstanding dues of micro enterprises and small enterprises                      |                                      | 2,030         |          |           |           | 2,030         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 313                                  | 40,208        | 6        | 54        | 48        | 40,628        |
| <b>Disputed;</b>   |                                      |               |          |           |           |               |
| <b>Total</b>   | <b>313</b>                           | <b>42,238</b> | <b>6</b> | <b>54</b> | <b>48</b> | <b>42,658</b> |

**30 OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

| Particulars                                | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--|---------------------------------------|---------------------------------------|
| Interest accrued but not due on borrowings | 49                                    | 76                                    |
| Unpaid Dividends <sup>#</sup>              | 15                                    | 15                                    |
| Creditors for Capital Expenditure*         | 814                                   | 1,203                                 |
| Security Deposits                          | 945                                   | 786                                   |
| Liability towards Staff and Workers        | 2,490                                 | 2,434                                 |
| Commission Payable on Sales                | 2,829                                 | 2,235                                 |
| Liabilities for Expenses <sup>\$</sup>     | 4,133                                 | 7,723                                 |
| <b>TOTAL</b>                               | <b>11,275</b>                         | <b>14,472</b>                         |

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| # There is no overdue amount to be credited to investor education & protection fund |                                       |                                       |
| * Include total outstanding dues of micro enterprises and small enterprises         | 87                                    | 427                                   |
| \$ Include total outstanding dues of micro enterprises and small enterprises        | 32                                    | 60                                    |

**31 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

| Particulars              | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|--------------------------|---------------------------------------|---------------------------------------|
| Advance from Customers   | 965                                   | 2,982                                 |
| Liabilities for Expenses | 3                                     | 20                                    |
| Statutory Dues           | 683                                   | 721                                   |
| <b>TOTAL</b>             | <b>1,651</b>                          | <b>3,723</b>                          |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 32 PROVISIONS

| (₹ in Lakhs)                   |                                       |                                       |
|--------------------------------|---------------------------------------|---------------------------------------|
| Particulars                    | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| Provision for Gratuity         | 1,306                                 | 1,318                                 |
| Provision for Leave Encashment | 26                                    | 139                                   |
| <b>TOTAL</b>                   | <b>1,332</b>                          | <b>1,457</b>                          |

### 33 REVENUE FROM OPERATIONS

| (₹ in Lakhs)                           |                 |                 |
|--|-----------------|-----------------|
| Particulars                            | 2024-25         | 2023-24         |
| Sale of Products/ Income from Services | 2,85,695        | 2,62,806        |
| <b>TOTAL</b>                           | <b>2,85,695</b> | <b>2,62,806</b> |

#### PARTICULARS OF SALE OF PRODUCTS/SERVICES

| (₹ in Lakhs)                                  |                 |                 |
|---|-----------------|-----------------|
| Particulars                                   | 2024-25         | 2023-24         |
| <b>a) Sale of Products - Textile products</b> |                 |                 |
| Finished Goods                                | 2,67,170        | 2,36,659        |
| Traded Goods                                  | 1,620           | 9,112           |
| <b>TOTAL</b>                                  | <b>2,68,790</b> | <b>2,45,771</b> |
| <b>b) Sale of Services</b>                    |                 |                 |
| Job Processing                                | 8,572           | 9,259           |
| <b>TOTAL</b>                                  | <b>8,572</b>    | <b>9,259</b>    |
| <b>c) Other Operating Revenues</b>            |                 |                 |
| Sale of Waste                                 | 2,817           | 3,124           |
| Export Benefits / Incentives                  | 5,516           | 4,651           |
| <b>TOTAL</b>                                  | <b>8,333</b>    | <b>7,775</b>    |
| <b>TOTAL (a+b+c)</b>                          | <b>2,85,695</b> | <b>2,62,805</b> |

### 34 OTHER INCOME

| (₹ in Lakhs)   |              |              |
|--|--------------|--------------|
| Particulars  | 2024-25      | 2023-24      |
| <b>Interest Income on Financial Assets (at amortised cost)</b> |              |              |
| from Customers   | 306          | 199          |
| from Others  | 532          | 308          |
| <b>Other Non-Operating Income</b>                              |              |              |
| Insurance Claim  | 157          | 110          |
| Rent   | 81           | 153          |
| Net Gain on Foreign Currency Fluctuation                       | (141)        | 129          |
| Profit on Sale of Property, Plant & Equipment (Net)            | 148          | 39           |
| Renewable Energy Certification                                 | 0            | 5            |
| Profit on sale of Mutual fund investment                       | 144          | 298          |
| Provision For No Longer Required                               | 223          | 1            |
| Dividends Income On Mutual Fund                                | 33           | 0            |
| Miscellaneous Receipts   | 54           | 38           |
| <b>TOTAL</b>   | <b>1,537</b> | <b>1,279</b> |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 35 COST OF MATERIALS CONSUMED

|                                 | (₹ in Lakhs)    |                 |
|---------------------------------|-----------------|-----------------|
| Particulars                     | 2024-25         | 2023-24         |
| Raw Materials Consumed          | 1,53,050        | 1,42,634        |
| Consumption of Dyes & Chemicals | 11,344          | 11,391          |
| <b>TOTAL</b>                    | <b>1,64,394</b> | <b>1,54,025</b> |

### 36 PURCHASES OF STOCK IN TRADE

|                                    | (₹ in Lakhs) |              |
|------------------------------------|--------------|--------------|
| Particulars                        | 2024-25      | 2023-24      |
| Stock in Trade – Yarn              | 2,015        | 45           |
| Stock in Trade – Fabric            | 98           | 3,037        |
| Stock in Trade – Seamless Garments | 4,651        | 783          |
| <b>TOTAL</b>                       | <b>6,764</b> | <b>3,865</b> |

### 37 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

|   | (₹ in Lakhs)  |                |
|---|---------------|----------------|
| Particulars                                     | 2024-25       | 2023-24        |
| <b>Inventories at the end of the year</b>       |               |                |
| Finished Goods                                  | 26,549        | 26,376         |
| Work-in-Progress                                | 8,286         | 9,432          |
|   | <b>34,835</b> | <b>35,808</b>  |
| <b>Inventories at the beginning of the year</b> |               |                |
| Finished Goods                                  | 26,376        | 24,062         |
| Work-in-Progress                                | 9,432         | 9,434          |
|   | <b>35,808</b> | <b>33,496</b>  |
| <b>(INCREASE) / DECREASE IN INVENTORY</b>       | <b>973</b>    | <b>(2,312)</b> |

### 38 EMPLOYEE BENEFITS EXPENSE

|   | (₹ in Lakhs)  |               |
|---|---------------|---------------|
| Particulars                               | 2024-25       | 2023-24       |
| Salaries and Wages <sup>^</sup>           | 24,525        | 23,696        |
| Contribution to Provident and Other Funds | 1,891         | 1,902         |
| Staff Welfare Expenses                    | 209           | 180           |
| <b>TOTAL</b>                              | <b>26,625</b> | <b>25,778</b> |

<sup>^</sup>Excludes ₹ 295 Lakhs (previous year ₹ 295 Lakhs) considered under Exceptional Items (Refer Note No -43).

### 39 FINANCE COSTS

|  | (₹ in Lakhs) |              |
|--|--------------|--------------|
| Particulars                                    | 2024-25      | 2023-24      |
| Interest Expenses                              | 8,667        | 6,498        |
| Other Borrowing Costs                          | 801          | 645          |
| <b>TOTAL</b>                                   | <b>9,468</b> | <b>7,143</b> |
| Net of interest Capitalised (Refer note no. 3) | 2,420        | 1,375        |
| Net of interest Subsidy (TUF /RIPS)            | 1,921        | 1,067        |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 40 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

| Particulars                          | 2024-25       | 2023-24      |
|--------------------------------------|---------------|--------------|
| a. Depreciations on Tangible Assets  | 11,205        | 9,409        |
| b. Right of Use Assets               | 131           | 159          |
| c. Amortisation of Intangible Assets | 113           | 113          |
| <b>TOTAL</b>                         | <b>11,449</b> | <b>9,681</b> |

### 41 POWER & FUEL

(₹ in Lakhs)

| Particulars             | 2024-25       | 2023-24       |
|-------------------------|---------------|---------------|
| Power and Fuel Expenses | 29,924        | 29,935        |
| <b>TOTAL</b>            | <b>29,924</b> | <b>29,935</b> |

### 42 OTHER EXPENSES

(₹ in Lakhs)

| Particulars  | 2024-25       | 2023-24       |
|--|---------------|---------------|
| <b>A. Manufacturing Expenses</b>   |               |               |
| Stores & Spares Consumed   | 3,678         | 3,994         |
| Packing Material Consumed  | 3,016         | 3,252         |
| Processing and Job Charges   | 4,408         | 4,087         |
| Repairs To : Plant & Machinery   | 703           | 670           |
| Repairs To : Building  | 76            | 145           |
| Repairs To : Others  | 111           | 80            |
| Misc. Manufacturing Expenses   | 2,819         | 2,808         |
| <b>Sub Total (A)</b>   | <b>14,811</b> | <b>15,035</b> |
| <b>B. Administrative Expenses</b>  |               |               |
| Rent (including short term lease rent)   | 336           | 241           |
| Rates & Taxes  | 240           | 166           |
| Payments to Auditors: For Statutory Audit Fees   | 30            | 27            |
| For Certifications   | -             | -             |
| Reimbursement of Expenses  | 7             | 7             |
| Cost Audit Fees  | 2             | 2             |
| Insurance Premium  | 748           | 842           |
| Directors' Travelling  | 197           | 171           |
| Travelling & Conveyance  | 324           | 386           |
| Telephone & Postage  | 641           | 382           |
| Directors' Remuneration*   | 767           | 973           |
| Printing & Stationery  | 43            | 54            |
| Legal & Professional Fees  | 502           | 481           |
| Vehicle Running & Maintenance  | 594           | 582           |
| Director's Sitting Fees  | 22            | 23            |
| Charity and Donations  | 3             | 22            |
| Advances Written Off   | (19)          | 383           |
| Miscellaneous Expenses   | 566           | 556           |
| Contribution towards CSR (Refer Note No. 58)   | 263           | 228           |
| <b>Sub Total (B)</b>   | <b>5,266</b>  | <b>5,526</b>  |
| *Excludes ₹ 369 Lakhs (previous year ₹ 369 Lakhs) considered under Exceptional Items (Refer Note No -43) |               |               |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

|   | (₹ in Lakhs)  |               |
|---|---------------|---------------|
| Particulars                                   | 2024-25       | 2023-24       |
| <b>C. Selling &amp; Distribution Expenses</b> |               |               |
| Sales Commission & Brokerage                  | 4,550         | 3,531         |
| Freight, Octroi and Other Selling Expenses    | 7,767         | 5,557         |
| Bad Debts Provision / Written Off *           | 157           | 318           |
| <b>Sub Total (C)</b>                          | <b>12,474</b> | <b>9,406</b>  |
| <b>D. Other Expenses</b>                      |               |               |
| Loss on Foreign Currency Fluctuation (Net)    | -             | -             |
| <b>Sub Total (D)</b>                          | <b>-</b>      | <b>-</b>      |
| <b>TOTAL (A+B+C+D)</b>                        | <b>32,551</b> | <b>29,967</b> |

\*Provision for Bad Debts written off ₹ 157 Lakh and net-off recovery of ₹ 22 Lakhs during the year. (Previous Year ₹ 318 Lakhs and net off recovery of ₹ 26 Lakhs during the Previous year) out of Provision for Trade Receivables.

### 43 EXCEPTIONAL ITEMS

|   | (₹ in Lakhs) |            |
|---|--------------|------------|
| Particulars   | 2024-25      | 2023-24    |
| (i) Proportional cost of Sweat equity Shares charged to the Statement of Profit and Loss during the year ** | 664          | 664        |
| <b>TOTAL</b>  | <b>664</b>   | <b>664</b> |

\*\*The Company had issued Sweat Equity Shares during the earlier years 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 a premium of ₹ 327.18 per equity share were issued to Executive Director & Chief Business Strategist as per Board Resolution dated 17<sup>th</sup> June, 2022 & as approved by the Shareholders in their Extra Ordinary General Meeting held on dated 16<sup>th</sup> July, 2022. The total value of equity shares issued amounted to ₹ 3,793 Lakhs. Out of the above, ₹ 1,138 Lakhs was charged to the statement of Profit & Loss during the year ended 31<sup>st</sup> March, 2023 and balance amount is to be amortised over a period of 4 years. Accordingly ₹ 664 Lakhs is charged to the statement of Profit & Loss during the year. Also refer note 47 - issue of sweat equity shares.

### 44 OTHER COMPREHENSIVE INCOME

|  | (₹ in Lakhs) |             |
|--|--------------|-------------|
| Particulars  | 2024-25      | 2023-24     |
| <b>Items that will not be reclassified to profit or loss</b>         |              |             |
| Remeasurement of defined benefit plans                               | 81           | (24)        |
| Tax relating to remeasurement of defined benefit plans               | (12)         | 6           |
| <b>Sub Total (A)</b>   | <b>69</b>    | <b>(18)</b> |
| <b>Items that will be reclassified to profit or loss</b>             |              |             |
| Fair value changes on derivatives designated as cash flow hedges     | (2)          | (23)        |
| Tax on items that will be reclassified subsequently to Profit & Loss | 0            | 6           |
| <b>Sub Total (B)</b>   | <b>(2)</b>   | <b>(17)</b> |
| <b>TOTAL (A+B)</b>   | <b>67</b>    | <b>(35)</b> |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 45 EARNINGS PER SHARE (EPS)

| (₹ in Lakhs)  |             |             |
|---|-------------|-------------|
| Particulars   | 2024-25     | 2023-24     |
| i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders | 3,180       | 4,082       |
| Add : Exceptional Items   | 664         | 664         |
| Net Profit before Exceptional Items   | 3,844       | 4,746       |
| ii) Weighted Average number of equity shares used as denominator for calculating EPS            | 5,02,46,559 | 4,97,32,312 |
| iii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS   | -           | -           |
|   | (₹)         | (₹)         |
| iv) Basic Earnings per share (Before exceptional items)   | 7.65        | 9.55        |
| v) Basic Earnings per share (After exceptional items)   | 6.33        | 8.21        |
| vi) Diluted Earnings per share (Before exceptional items)                                       | 7.65        | 9.55        |
| vii) Diluted Earnings per share (After exceptional items)                                       | 6.33        | 8.21        |
| viii) Face Value per equity share (₹)   | 10          | 10          |

**46** 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.

Since the matter within the Purview of the Commercial appellate Division, it was placed before the Roster Bench subject to the order of the Hon'ble Chief Justice of the High Court, Delhi. The Divisional bench of the Hon'ble High Court of Delhi has passed the order and remanded the case for a fresh adjudication of section 34 petition by the Learned Single Judge. Presently the Petition is pending before the Learned Single bench of Delhi High Court for proceeding under section 34 of Arbitration and Conciliation Act, 1996.

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 disputed amount. The other current financial asset includes the above claim.

### 47 ISSUE OF SWEAT EQUITY SHARES

| (₹ in Lakhs)  |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| During the year ended 31 <sup>st</sup> March, 2023, 11,25,000 Equity Shares were allotted to the Executive Director and the Chief Business Strategist as per the Board resolution dated 17 <sup>th</sup> June, 2022 and as approved by the Shareholders in their extra ordinary general meeting held on 16 <sup>th</sup> July, 2022 as under: |                                       |                                       |
| (a) Number of Sweat equity Shares issued as per the above approval  |                                       |                                       |
| (i) Mr. Vinod Kumar Sodani (Executive Director) (No of Shares 6.25 Lakhs)   | -                                     | -                                     |
| (ii) Mr. Pranal Modani (Chief Business Strategist) (No of Shares 5.00 Lakhs)  | -                                     | -                                     |
| (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)   | -                                     | -                                     |





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| (c) Value of Equity Shares issued and allotted:   |                                       |                                       |
| (i) Vinod Kumar Sodani (Executive Director) (₹ in Lakhs)  | -                                     | -                                     |
| (ii) Mr. Pranal Modani (Chief Business Strategist) (₹ in Lakhs)   | -                                     | -                                     |
| (d) Withholding tax absorbed by The Company on the above value under section 192 of the Income Tax Act, 1961 (₹ in Lakhs)   | -                                     | -                                     |
| (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 43) (₹ in Lakhs)                              | 664                                   | 664                                   |
| (f) Balance amount deferred to be amortised in 2 equal installments during subsequent years. ( Previous year 3 annual equal installments during subsequent years) (Refer Note No 43) (₹ in Lakhs) | 1,327                                 | 1,991                                 |

### 48 EMPLOYEES STOCK OPTION SCHEME 2022

#### A. Description of the Plan:

The Company has instituted an Employee Stock Option Plan (ESOP), duly approved by the Board of Directors and shareholders. The plan is administered by the Nomination and Remuneration Committee (NRC) of the Board and Sangam (India) Limited Employees Welfare Trust ("Trust").

Under this plan, options are granted to eligible employees to subscribe to equity shares at a predetermined price, upon fulfillment of vesting conditions.

|                                     |  |
|-------------------------------------|--|
| <b>Name of the Scheme</b>           | : Sangam (India) Limited - Employees Stock Option Scheme 2022                          |
| <b>Date of Shareholder Approval</b> | : 16 <sup>th</sup> July, 2022  |
| <b>Type of Instrument</b>           | : Equity Settled   |
| <b>Vesting Period</b>               | : Minimum of 1 year and Maximum of 7 years from the Grant Date                         |
| <b>Exercise Period</b>              | : within a maximum period of 3 years from the date of respective Vesting               |
| <b>Exercise Price</b>               | : ₹266.70 per share (1 <sup>st</sup> Grant), ₹329.55 per share (2 <sup>nd</sup> Grant) |
| <b>Method of Settlement</b>         | : Equity Shares  |

#### B. Movement of Stock Options during the Year:

| Particulars                    | F.Y. 2024-25      |                                     | F.Y. 2023-24      |                                     |
|--------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|
|                                | Number of Options | Weighted Average Exercise Price (₹) | Number of Options | Weighted Average Exercise Price (₹) |
| Outstanding at the beginning   | 3,79,050          | 289                                 | 3,39,000          | 267                                 |
| Granted during the year        | -                 | -                                   | 1,31,500          | 330                                 |
| Forfeited / Lapsed during year | 1,22,950          | 288                                 | 69,250            | 267                                 |
| Exercised during the year      | 14,300            | 268                                 | 22,200            | 267                                 |
| Outstanding at the end of year | 2,41,800          | 290                                 | 3,79,050          | 289                                 |
| Exercisable at the end of year | 19,850            | 295                                 | 33,900            | 267                                 |

#### C. Impact on Statement of Profit and Loss:

The total expense recognised in the Statement of Profit and Loss for the year ended 31/03/2025 arising from share-based payment transactions is as follows:

| Particulars                                   | F.Y. 2024-25 | F.Y. 2023-24 |
|---|--------------|--------------|
| Expenses on ESOP (Employee Compensation Cost) | -            | -            |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 49 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

| Particulars   | (₹ in Lakhs)                          |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
| 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*  | 2352                                  | 2517                                  |
| - 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 ₹ 2,233 Lakhs (Previous Year ₹ 2,030 Lakhs) included in Trade Payables.

\* Include total outstanding dues of micro enterprises and small enterprises of ₹ 87 Lakhs (Previous Year ₹ 427 Lakhs) in Creditors for Capital Expenditure under the other current financial liabilities.

\* Include total outstanding dues of micro enterprises and small enterprises of ₹ 32 Lakhs (Previous Year ₹ 60 Lakhs) in other liabilities under the other current financial liabilities.

### 50 CONTINGENT LIABILITIES AND COMMITMENTS

| Particulars   | (₹ in Lakhs) |         |
|---|--------------|---------|
|   | 2024-25      | 2023-24 |
| <b>(i) Contingent Liabilities:</b>  |              |         |
| <b>(a) Guarantees:</b>  |              |         |
| Outstanding Bank Guarantees (Excluding Financial Guarantees)  | 964          | 1,004   |
| Corporate Guarantee to Bank on behalf of Subsidiary Company   | 8,090        | 10,700  |
| <b>(b) Other Money for which the Company is contingently liable:</b>  |              |         |
| 1 Case pending with Central Excise under Central Excise ACT, 1944   | 11           | 11      |
| 2 Dispute of Fixed Charges recovery pending with APTEL, New Delhi under Electricity Act, 2003.  | 42           | 42      |
| <b>Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :</b>   |              |         |
| 3 Disputes on various tolls for which company is contingently liable.   | 243          | 243     |
| <b>(ii) COMMITMENTS:</b>  |              |         |
| (a) Estimated amount of contracts remaining to be executed on capital and not provided for (net of Advances) ₹ 1090 Lakhs (Previous Year ₹ 20124 Lakhs) |              |         |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars  | 2024-25 | 2023-24 |
|--|---------|---------|
| (b) The Company has an outstanding export obligation of approx. ₹ 13,604 Lakhs (Previous Year – ₹ 24,215 Lakhs), in respect of capital goods imported at the concessional rate of duty under Export Promotion Capital Goods Scheme, which is required to be met at different dates on or before 31 <sup>st</sup> March, 2031 and export obligation of approx. ₹ 8,504 Lakhs (Previous Year – Nil), in respect of cotton imported at the concessional rate of duty under Duty Exemption/Remission Schemes (Advance Authorisation) which is required to be met at different dates on or before 25 <sup>th</sup> March, 2026. In the event of non-fulfilment of these export obligation, The Company will be liable to pay customs duties and penalties, as applicable. |         |         |

### 51. DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES".

#### (A) Details of Related Parties

##### 1 Key Managerial Personnel (KMP)

|                                      |                         |
|--------------------------------------|-------------------------|
| Shri R.P. Soni                       | Chairman                |
| Dr. S.N. Modani                      | Vice Chairman           |
| Shri V.K. Sodani                     | Executive Director      |
| Shri Anurag Soni                     | Managing Director       |
| Shri S.R. Dakhera                    | Chief Financial Officer |
| Shri Arjun Agal                      | Company Secretary       |
| (w.e.f. 31 <sup>st</sup> July, 2024) |                         |

##### 2 Non Executive Director/ Independent Director

|  |
|--|
| Shri Achintya Karati (upto 23 <sup>rd</sup> September, 2024)       |
| Shri T.K. Mukhopadhyay (upto 23 <sup>rd</sup> September, 2024)     |
| Smt Aparna Sahay (upto 26 <sup>th</sup> October, 2024)             |
| Smt Irina Garg (w.e.f. 12 <sup>th</sup> August, 2024)              |
| Shri Dinesh Chander Patvari (w.e.f. 12 <sup>th</sup> August, 2024) |
| Shri Upendra Prasad Singh (w.e.f. 12 <sup>th</sup> August, 2024)   |
| Shri Yaduvendra Mathur (upto 4 <sup>th</sup> May, 2024)            |
| Shri. Sudhir Maheshwari  |

##### 3 Relatives of KMP (with whom transactions held during the year)

|                      |
|----------------------|
| Smt. Radha Devi Soni |
| Smt. Mamta Modani    |
| Smt. Archana Sodani  |
| Smt. Antima Bass     |
| Shri. Pranal Modani  |
| Smt. Palak Modani    |

Smt. Krippie Soni

Ms. Sakshi Modani

Ms. Mihika Sodani

Smt. Sunita Dakhera

##### 4 Enterprises over which KMP have significant influence

|  |
|--|
| Sangam E-com Limited                         |
| Raj Rajeshwar Enterprises Pvt.Limited        |
| Laddha Construction Company Pvt.Limited      |
| Shri R.P. Soni HUF                           |
| M/s Badri Lal Soni Charitable Trust          |
| M/s Kesar Bai Soni Charitable Trust          |
| Sangam Business Credit Limited               |
| Sangam Rise Foundation                       |
| Sangam Ananya Developers Private Limited     |
| Keti Sangam Infrastructure (India) Limited   |
| Sangam Lifespaces Limited                    |
| Sangam Finserv Limited                       |
| Sangam Shutings Private Limited              |
| Virgo Shutings Private Limited               |
| Sarvodaya Holdings Private Limited           |
| Kalyan Sangam Infratech Limited              |
| Saptrishi Commercial Company Limited         |
| Sangam Sai Ananya Developers Private Limited |
| Sangam Horticulture Private Limited          |
| Bhilwara Estates Private Limited             |
| Sangam Farmstead Private Limited             |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### (B) Disclosure of related party transactions:

(₹ in Lakhs)

| Sr. No.  | Nature of transaction/relationship/major parties      | 2024-2025 | 2023-2024 |
|----------|---|-----------|-----------|
|          |   | Amount    | Amount    |
| <b>1</b> | <b>Purchase of goods &amp; services</b>               |           |           |
|          | Sangam Farmstead Private Limited                      | 110       | 10        |
| <b>2</b> | <b>Lease Liability Paid</b>                           |           |           |
|          | Shri Ram Pal Soni                                     | 14        | 13        |
|          | Shri Anurag Soni                                      | 15        | 13        |
|          | Smt. Radha Devi Soni                                  | 79        | 76        |
|          | Smt. Mamta Modani                                     | 5         | 5         |
|          | Smt. Antima Bass                                      | 14        | 13        |
|          | Smt. Krippie Soni                                     | 27        | 26        |
|          | R.P. Soni HUF   | 14        | 13        |
|          | Laddha Construction Company Pvt. Limited              | 43        | 43        |
| <b>3</b> | <b>Insurance paid</b>                                 |           |           |
|          | Dr. S.N. Modani                                       | 13        | 14        |
|          | Shri V.K. Sodani                                      | 21        | 22        |
|          | Shri Anurag Soni                                      | 13        | 17        |
|          | Shri Pranal Modani                                    | 10        | 10        |
| <b>4</b> | <b>Compensation paid to key management personnel:</b> |           |           |
|          | <b>Remuneration</b>                                   |           |           |
|          | <b>(1) Short-term employment benefits / Salary</b>    |           |           |
|          | <b>(i) Key Managerial Personnel</b>                   |           |           |
|          | Shri R.P. Soni  | 349       | 387       |
|          | Dr. S.N. Modani                                       | 216       | 187       |
|          | Shri V.K. Sodani                                      | 147       | 106       |
|          | Shri Anurag Soni                                      | 90        | 89        |
|          | Shri A.K. Jain  | -         | 8         |
|          | Shri S.R. Dakhera                                     | 40        | 22        |
|          | Shri Arjun Agal                                       | 10        | -         |
|          | <b>(ii) Relatives of Key Managerial Personnel</b>     |           |           |
|          | Smt. Mamta Modani                                     | 48        | 48        |
|          | Smt. Archana Sodani                                   | 24        | 24        |
|          | Shri Pranal Modani                                    | 55        | 55        |
|          | Smt. Palak Modani                                     | 10        | 11        |
|          | Ms. Sakshi Modani                                     | 1         | 8         |
|          | Ms. Mihika Sodani                                     | 7         | 32        |
|          | Smt. Sunita Dakhera                                   | 19        | 12        |
|          | <b>(2) Director Sitting fees</b>                      |           |           |
|          | Shri Achintya Karati                                  | 3         | 6         |
|          | Shri T.K. Mukhopadhyay                                | 3         | 7         |
|          | Smt. Aparna Sahay                                     | 2         | 1         |
|          | Shri Yaduvendra Mathur                                | -         | 6         |
|          | Shri Upendra Prasad Singh                             | 4         | -         |
|          | Shri Dinesh Chander Patwari                           | 4         | -         |
|          | Ms. Irina Garg  | 2         | -         |
|          | Shri Sudhir Maheshwari                                | 5         | 3         |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)**

(₹ in Lakhs)

| Sr. No.  | Nature of transaction/relationship/major parties | 2024-2025 | 2023-2024 |
|--|--|-----------|-----------|
|  |  | Amount    | Amount    |
| <b>(3) Commission</b>  |  |           |           |
|  | Shri R.P. Soni                                   | -         | 71        |
|  | Dr. S.N. Modani                                  | -         | -         |
|  | Shri V.K. Sodani                                 | -         | 62        |
|  | Shri Anurag Soni                                 | -         | 71        |
|  | Shri Pranal Modani                               | 16        | 24        |
| <b>(4) Value of sweat equity share considered as Exceptional items</b> |  |           |           |
|  | Shri V.K. Sodani                                 | 369       | 369       |
|  | Shri Pranal Modani                               | 295       | 295       |
| <b>9 Expenditure Incurred in CSR</b>                                   |  |           |           |
|  | (i) M/S Badri Lal Soni Charitable Trust          | 93        | 86        |
|  | (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 | 2024-2025 | 2023-2024 |
|--|--|-----------|-----------|
|  |  | Amount    | Amount    |
| <b>1 Security Deposit given against property taken on lease for business purpose</b> |  |           |           |
|  | Shri Ram Pal Soni                                | 250       | 250       |
|  | Shri Anurag Soni                                 | 150       | 150       |
|  | Smt. Radha Devi Soni                             | 550       | 550       |
|  | Smt. Antima Bass                                 | 150       | 150       |
|  | Smt. Krippie Soni                                | 100       | 100       |
|  | R.P. Soni HUF                                    | 200       | 200       |
|  | Laddha Construction Company Pvt. Limited         | 300       | 300       |
| <b>2 Advance against purchase of Property</b>  |  |           |           |
|  | Laddha Construction                              | 980       | 880       |
| <b>3 Trade Payables</b>  |  |           |           |
|  | Sangam Farmstead Private Limited                 | 13        | 0         |
| <b>4 Other Payables</b>  |  |           |           |
| <b>Lease Liabilities</b>   |  |           |           |
|  | Shri Ram Pal Soni                                | 1         | -         |
|  | Shri Anurag Soni                                 | 1         | -         |
|  | Smt. Radha Devi Soni                             | 6         | -         |
|  | Smt. Mamta Modani                                | 0         | -         |
|  | Smt. Antima Bass                                 | 1         | -         |
|  | Smt. Krippie Soni                                | 2         | -         |
|  | R.P. Soni HUF                                    | 1         | -         |
| <b>Consultancy Fees (Relative of KMP)</b>  |  |           |           |
|  | Smt. Mamta Modani                                | 4         | -         |
|  | Smt. Archana Sodani                              | 2         | -         |
| <b>5 Director's Sitting Fees</b>   |  |           |           |
|  | Shri Achintya Karati                             | 1         | -         |
|  | Shri T.K. Mukhopadhyay                           | 1         | -         |
|  | Shri Dinesh Chander Patwari                      | 0         | -         |
|  | Shri Sudhir Maheshwari                           | 0         | 3         |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 52 EMPLOYEE BENEFITS

The Company contributes to the following post-employment defined benefit plans.

#### (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)

| Particulars                               | For the year ended          |                              |
|---|-----------------------------|------------------------------|
|   | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March, 2024 |
| Contribution to government Provident Fund | 1,481                       | 1,429                        |

#### (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 31<sup>st</sup> March, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### A. BASED ON THE ACTUARIAL VALUATION OBTAINED IN THIS RESPECT, THE FOLLOWING TABLE SETS OUT THE STATUS OF THE GRATUITY PLAN AND THE AMOUNTS RECOGNISED IN THE COMPANY'S FINANCIAL STATEMENTS AS AT BALANCE SHEET DATE:

(₹ in Lakhs)

| Particulars                             | Gratuity (Funded)            |                              | Leave encashment             |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| Net defined benefit (liability) / asset | 2,974                        | 2,643                        | 532                          | 723                          |
| Non-current                             | 1,668                        | 1,303                        | 504                          | 585                          |
| Current                                 | 1,306                        | 1,340                        | 28                           | 138                          |



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (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)    |                           |  |                              |                           |  | (₹ in Lakhs) |
|---|------------------------------|---------------------------|--|------------------------------|---------------------------|--|------------------------------|---------------------------|--|------------------------------|---------------------------|--|--------------|
|   | 31 <sup>st</sup> March, 2025 |                           |  | 31 <sup>st</sup> March, 2024 |                           |  | 31 <sup>st</sup> March, 2025 |                           |  | 31 <sup>st</sup> March, 2024 |                           |  |              |
|   | 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 1 <sup>st</sup> April, 2024                           | 2,889                        | 247                       | 2,642                                  | 2,613                        | 474                       | 2,139                                  | 732                          | 9                         | 723                                    | 556                          | 364                       | 192                                    |              |
| Balance as at 1 <sup>st</sup> April, 2024<br>(Amalgamating Company) | -                            |                           | -                                      | -                            | -                         | -                                      | -                            | -                         | -                                      | -                            | -                         | -                                      |              |
| Included in profit or loss  |                              |                           |  |                              |                           |  |                              |                           |  |                              |                           |  |              |
| Current service cost  | 527                          | -                         | 527                                    | 480                          | -                         | 480                                    | 251                          | -                         | 251                                    | 332                          | -                         | 332                                    |              |
| Interest cost (income)  | 191                          | (0)                       | 191                                    | 156                          | -                         | 156                                    | 49                           | -                         | 49                                     | 41                           | -                         | 41                                     |              |
|   | 718                          | (0)                       | 718                                    | 636                          | -                         | 636                                    | 300                          | -                         | 300                                    | 373                          | -                         | 373                                    |              |
| Included in OCI   |                              |                           |  |                              |                           |  |                              |                           |  |                              |                           |  |              |
| Remeasurements loss (gain)  |                              |                           |  |                              |                           |  |                              |                           |  |                              |                           |  |              |
| Actuarial loss (gain) arising from:                                 | -                            | -                         | -                                      | -                            | -                         | -                                      | -                            | -                         | -                                      | -                            | -                         | -                                      |              |
| Demographic assumptions   | -                            | -                         | -                                      | 49                           | -                         | 49                                     | -                            | -                         | -                                      | 0                            | -                         | 0                                      |              |
| Financial assumptions   | 87                           | -                         | 87                                     | 19                           | -                         | 19                                     | 19                           | -                         | 19                                     | 6                            | -                         | 6                                      |              |
| Experience adjustment   | (172)                        | 0                         | (172)                                  | (55)                         | -                         | (55)                                   | (337)                        | -                         | (337)                                  | 64                           | -                         | 64                                     |              |
| On plan assets  | -                            | (4)                       | 4                                      | -                            | (12)                      | 12                                     | -                            | -                         | -                                      | -                            | -                         | -                                      |              |
|   | (85)                         | (4)                       | (81)                                   | 13                           | (12)                      | 25                                     | (318)                        | -                         | (318)                                  | 70                           | -                         | 70                                     |              |
| Other   |                              |                           |  |                              |                           |  |                              |                           |  |                              |                           |  |              |
| Contributions paid by the employer                                  | (12)                         | 293                       | (305)                                  | -                            | 157                       | (157)                                  | -                            | -                         | -                                      | -                            | -                         | -                                      |              |
| Benefits paid   | (481)                        | (481)                     | -                                      | (373)                        | (373)                     | -                                      | (173)                        | -                         | (173)                                  | (267)                        | (356)                     | 89                                     |              |
| Expected Return on Plan Assets                                      | -                            | -                         | -                                      | -                            | -                         | -                                      | -                            | -                         | -                                      | -                            | -                         | -                                      |              |
|   | (493)                        | (188)                     | (305)                                  | (373)                        | (216)                     | (157)                                  | (173)                        | -                         | (173)                                  | (267)                        | (356)                     | 89                                     |              |
| Balance as at 31 <sup>st</sup> March, 2025                          | 3,029                        | 56                        | 2,974                                  | 2,889                        | 247                       | 2,643                                  | 541                          | 9                         | 532                                    | 732                          | 9                         | 723                                    |              |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### C. PLAN ASSETS

| Particulars             | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
|-------------------------|------------------------------|------------------------------|
| Fund managed by insurer | 100%                         | 100%                         |

### D. ACTUARIAL ASSUMPTIONS

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

| Particulars                             | 31 <sup>st</sup> March, 2025   | 31 <sup>st</sup> March, 2024 |
|---|--------------------------------|------------------------------|
| Discount rate                           | 6.85%                          | 7.21%                        |
| Expected rate of future salary increase | 5.50%                          | 5.50%                        |
| Mortality                               | 100% of IALM (2012 - 14) Urban |                              |

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)

| Particulars                                  | Gratuity                     |          |                              |          | Leave Encashment             |          |                              |          |
|--|------------------------------|----------|------------------------------|----------|------------------------------|----------|------------------------------|----------|
|  | 31 <sup>st</sup> March, 2025 |          | 31 <sup>st</sup> March, 2024 |          | 31 <sup>st</sup> March, 2025 |          | 31 <sup>st</sup> March, 2024 |          |
|  | Increase                     | Decrease | Increase                     | Decrease | Increase                     | Decrease | Increase                     | Decrease |
| Discount rate (1% movement)                  | 230                          | 273      | 219                          | 259      | -                            | -        | 76                           | 64       |
| Expected rate of future salary (1% movement) | 274                          | 236      | 261                          | 224      | -                            | -        | 76                           | 65       |

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:

- 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.
- 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.
- Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability-** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- 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 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### G. EXPECTED MATURITY ANALYSIS OF THE UNDISCOUNTED GRATUITY BENEFITS IS AS FOLLOWS

(₹ in Lakhs)

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2025 | As at<br>31 <sup>st</sup> March, 2024 |
|---|---------------------------------------|---------------------------------------|
| <b>Duration of defined benefit payments</b> |                                       |                                       |
| Less than 1 year                            | 654                                   | 601                                   |
| Between 1-2 years                           | 144                                   | 106                                   |
| Between 2-5 years                           | 637                                   | 545                                   |
| Over 5 years                                | 4,964                                 | 5,104                                 |
| <b>Total</b>                                | <b>6,399</b>                          | <b>6,356</b>                          |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.00 years (31<sup>st</sup> March, 2024 : 10.00 years).

### 53. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

#### I. Fair value measurements Hierarchy

(₹ in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2025 |              |            |          | As at 31 <sup>st</sup> March, 2024 |              |          |          |
|--|------------------------------------|--------------|------------|----------|------------------------------------|--------------|----------|----------|
|  | Carrying Amount                    | Level 1      | Level 2    | Level 3  | Carrying Amount                    | Level 1      | Level 2  | Level 3  |
| <b>Financial Assets</b>  |                                    |              |            |          |                                    |              |          |          |
| <b>At Amortised Cost</b>   |                                    |              |            |          |                                    |              |          |          |
| Non current - Investments  | 75                                 | -            | -          | -        | 75                                 | -            | -        | -        |
| Other Non-Current Financial Assets                                       | 3,548                              | -            | -          | -        | 2,749                              | -            | -        | -        |
| <b>Current-Assets</b>  |                                    |              |            |          |                                    |              |          |          |
| Trade Receivables  | 51,753                             | -            | -          | -        | 44,840                             | -            | -        | -        |
| Cash and Cash Equivalents  | 195                                | -            | -          | -        | 17                                 | -            | -        | -        |
| Bank Balances other than above   | 5,000                              | -            | -          | -        | 2,810                              | -            | -        | -        |
| Other Current Financial Assets   | 3,472                              | -            | -          | -        | 6,805                              | -            | -        | -        |
| <b>Total (A)</b>   | <b>64,043</b>                      | -            | -          | -        | <b>57,296</b>                      | -            | -        | -        |
| Investment in Mutual fund measured at fair value through profit and loss | 7,883                              | 7,883        | -          | -        | 1,027                              | 1,027        | -        | -        |
| <b>Total (B)</b>   | <b>7,883</b>                       | <b>7,883</b> | -          | -        | <b>1,027</b>                       | <b>1,027</b> | -        | -        |
| <b>Total Financial Assets (A+B)</b>                                      | <b>71,926</b>                      | <b>7,883</b> | -          | -        | <b>58,323</b>                      | <b>1,027</b> | -        | -        |
| <b>Financial Liabilities</b>   |                                    |              |            |          |                                    |              |          |          |
| <b>At Amortised Cost</b>   |                                    |              |            |          |                                    |              |          |          |
| Borrowings - Non Current   | 72,169                             | -            | -          | -        | 61,872                             | -            | -        | -        |
| Lease Liabilities - Non Current  | 213                                | -            | -          | -        | 34                                 | -            | -        | -        |
| Other Financial Liabilities -Non Current                                 | -                                  | -            | -          | -        | -                                  | -            | -        | -        |
| Borrowings - Currents  | 41,300                             | -            | -          | -        | 44,630                             | -            | -        | -        |
| Lease Liabilities - Current  | 100                                | -            | -          | -        | 60                                 | -            | -        | -        |
| Trade Payables   | 60,282                             | -            | -          | -        | 42,658                             | -            | -        | -        |
| Other Current Financial Liabilities                                      | 11,275                             | -            | -          | -        | 14,472                             | -            | -        | -        |
| <b>At Fair Value through P&amp;L</b>                                     |                                    |              |            |          |                                    |              |          |          |
| Other Current Financial Liabilities                                      | 273                                | -            | 273        | -        | -                                  | -            | -        | -        |
| <b>At Fair Value through OCI</b>   |                                    |              |            |          |                                    |              |          |          |
| Other Current Financial Liabilities                                      | (1)                                | -            | (1)        | -        | -                                  | -            | -        | -        |
|  | <b>1,85,611</b>                    | <b>7,883</b> | <b>272</b> | <b>-</b> | <b>1,63,726</b>                    | <b>1,027</b> | <b>-</b> | <b>-</b> |

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

The gross carrying amount of trade receivables is ₹ 52,598 Lakhs (31<sup>st</sup> March, 2024 – ₹ 45,506 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when it falls due.

### Reconciliation of Loss Allowance Provision – Trade Receivables

| (₹ in Lakhs)               |                              |                              |
|----------------------------|------------------------------|------------------------------|
| Particulars                | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| Opening Balances           | 666                          | 322                          |
| Impairment Loss Recognised | 179                          | 344                          |
| Amount written back        | -                            | -                            |
| <b>Closing balance</b>     | <b>845</b>                   | <b>666</b>                   |

### 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 <sup>st</sup> March, 2025 | Total           | Within 1 Year          | 1–5 years     | More than 5 years |
| <b>NON-DERIVATIVE FINANCIAL LIABILITIES</b> |                              |                 |                        |               |                   |
| <b>Borrowings - Non Current</b>             | 72,169                       | 72,169          | -                      | 59,662        | 12,507            |
| Lease Liabilities - Non Current             | 213                          | 213             | -                      | 213           | -                 |
| Other Financial Liabilities -Non Current    | -                            | -               | -                      | -             | -                 |
| Borrowings - Currents                       | 41,300                       | 41,300          | 41,300                 |               |                   |
| Lease Liabilities - Current                 | 100                          | 100             | 100                    | -             | -                 |
| Trade Payables                              | 60,282                       | 60,282          | 55,118                 | 5,164         | -                 |
| Other Current Financial Liabilities         | 11,275                       | 11,275          | 11,275                 | -             | -                 |
| <b>Total non-derivative liabilities</b>     | <b>1,85,339</b>              | <b>1,85,339</b> | <b>1,07,793</b>        | <b>65,039</b> | <b>12,507</b>     |
| <b>DERIVATIVES (NET SETTLED)</b>            |                              |                 |                        |               |                   |
| Foreign exchange forward contracts          | 272                          | 272             | 272                    | -             | -                 |
| <b>Total derivative liabilities</b>         | <b>272</b>                   | <b>272</b>      | <b>272</b>             | <b>-</b>      | <b>-</b>          |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Particulars                                 | Carrying Amounts             |                 | Contractual Cash Flows |               |                   |
|---|------------------------------|-----------------|------------------------|---------------|-------------------|
|   | 31 <sup>st</sup> March, 2024 | Total           | Within 1 Year          | 1–5 years     | More than 5 years |
| <b>NON-DERIVATIVE FINANCIAL LIABILITIES</b> |                              |                 |                        |               |                   |
| Borrowings - Non Current                    | 61,872                       | 61,872          | -                      | 42,412        | 19,460            |
| Lease Liabilities - Non Current             | 34                           | 34              | -                      | 34            | -                 |
| Other Financial Liabilities -Non Current    | -                            | -               | -                      | -             | -                 |
| Borrowings - Currents                       | 44,630                       | 44,630          | 44,630                 | -             | -                 |
| Lease Liabilities - Current                 | 60                           | 60              | 60                     | -             | -                 |
| Trade payables                              | 42,658                       | 42,658          | 42,551                 | 107           | -                 |
| Other current financial liabilities         | 14,472                       | 14,472          | 14,472                 | -             | -                 |
| <b>Total non-derivative liabilities</b>     | <b>1,63,726</b>              | <b>1,63,726</b> | <b>1,01,713</b>        | <b>42,553</b> | <b>19,460</b>     |
| <b>DERIVATIVES (NET SETTLED)</b>            |                              |                 |                        |               |                   |
| Foreign exchange forward contracts          | -                            | -               | -                      | -             | -                 |
| <b>Total derivative liabilities</b>         | <b>-</b>                     | <b>-</b>        | <b>-</b>               | <b>-</b>      | <b>-</b>          |

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 recognised 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 minimise 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 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 <sup>st</sup> March, 2025 |           |            |           | As at 31 <sup>st</sup> March, 2024 |          |          |           |
|---|------------------------------------|-----------|------------|-----------|------------------------------------|----------|----------|-----------|
|   | USD                                | EUR       | CHF        | JPY       | USD                                | EUR      | CHF      | JPY       |
| <b>Financial Instruments</b>                        |                                    |           |            |           |                                    |          |          |           |
| Trade receivables                                   | 337                                | (4)       | -          | -         | 197                                | (0)      | -        | -         |
| Trade payables                                      | (1)                                | (0)       | (0)        | -         | (1)                                | (6)      | (0)      | -         |
| Advance to trade payables                           | 3                                  | 14        | -          | 86        | 2                                  | 16       | 0        | 50        |
| Borrowings  | (370)                              | -         | -          | -         | (239)                              | (9)      | -        | -         |
| Derivatives - Forward Contracts                     | (295)                              | -         | -          | -         | (318)                              | -        | -        | -         |
| <b>Net statement of financial position exposure</b> | <b>(325)</b>                       | <b>10</b> | <b>(0)</b> | <b>86</b> | <b>(359)</b>                       | <b>1</b> | <b>0</b> | <b>50</b> |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31<sup>st</sup> 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.

(₹ in Lakhs)

| Particulars       | Profit or loss as on 31 <sup>st</sup> March, 2025 |           | Profit or loss as on 31 <sup>st</sup> March, 2024 |           |
|-------------------|---|-----------|---|-----------|
|                   | Strengthening                                     | Weakening | Strengthening                                     | Weakening |
| USD (1% movement) | (278)   | 278       | (300)   | 300       |
| EUR (1% movement) | 9   | (9)       | 1   | (1)       |
| CHF (1% movement) | -   | -         | 0   | (0)       |
| JPY (1% movement) | -   | -         | 0   | (0)       |

### 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.

(₹ in Lakhs)

| Particulars                      | Nominal Amount               |                              |
|----------------------------------|------------------------------|------------------------------|
|                                  | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| <b>Fixed-rate instruments</b>    |                              |                              |
| Financial assets                 | -                            | -                            |
| Financial liabilities            | 648                          | 790                          |
|                                  | <b>648</b>                   | <b>790</b>                   |
| <b>Variable-rate instruments</b> |                              |                              |
| Financial assets                 | -                            | -                            |
| Financial liabilities            | 77,662                       | 66,574                       |
|                                  | <b>77,662</b>                | <b>66,574</b>                |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### 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 |
| <b>31<sup>st</sup> March, 2025</b> |                 |                 |
| Variable-rate instruments          | (777)           | 777             |
| Cash flow sensitivity              | (777)           | 777             |
| <b>31<sup>st</sup> March, 2024</b> |                 |                 |
| Variable-rate instruments          | (666)           | 666             |
| Cash flow sensitivity              | (666)           | 666             |

### 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.

#### Disclosure of effect of Hedge Accounting:

##### Fair Value Hedge

##### Hedging Instruments

| (₹ in Lakhs)                 |               |                 |                      |                          |                                     |
|------------------------------|---------------|-----------------|----------------------|--------------------------|-------------------------------------|
| Particulars                  | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity           | Line Item in Balance Sheet          |
| <b>Foreign Currency Risk</b> |               |                 |                      |                          |                                     |
| Forward Contracts            | 29,382        | 273             | 273                  | April 2025 to March 2026 | Other Current Financial Liabilities |

##### Hedged Items

| (₹ in Lakhs)                 |                 |                      |                                      |
|------------------------------|-----------------|----------------------|--------------------------------------|
| Particulars                  | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet           |
| <b>Foreign Currency Risk</b> |                 |                      |                                      |
| Trade Receivables            | 28,803          | 86                   | Financial Assets - Trade Receivables |

##### Cash Flow Hedge

During the year ended 31<sup>st</sup> March, 2025, 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 31<sup>st</sup> March, 2025 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

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)

| Cash Flow Hedge              | Nominal Value | Carrying Amount | Change in Fair Value | Hedge Maturity | Line Item in Balance Sheet          |
|------------------------------|---------------|-----------------|----------------------|----------------|-------------------------------------|
| <b>Foreign Currency Risk</b> |               |                 |                      |                |                                     |
| Forward Contracts            | 25,214        | (1)             | (1)                  | July, 2025     | Other Current Financial Liabilities |

#### Hedged Items

(₹ in Lakhs)

| Particulars                        | Carrying Amount | Change in Fair Value | Line Item in Balance Sheet |
|------------------------------------|-----------------|----------------------|----------------------------|
| <b>Foreign Currency Risk</b>       |                 |                      |                            |
| Highly Probable Forecasted Exports | 25,214          | -                    | -                          |

The reconciliation of cash flow hedge reserve for the years ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024 is as follows:

(₹ in Lakhs)

| Particulars  | Year Ended 31 <sup>st</sup> March, 2025 | Year Ended 31 <sup>st</sup> March, 2025 |
|--|---|---|
| Gain / (Loss)  |   |   |
| Balance at the beginning of the year                                   | 1                                       | 24                                      |
| Gain / (Loss) recognised in other comprehensive income during the year | (2)                                     | (23)                                    |
| Amount reclassified to profit and loss during the year                 | -                                       | -                                       |
| <b>Balance at the end of the year</b>                                  | <b>(1)</b>                              | <b>1</b>                                |

### 54 RATIO ANALYSIS

| S. No | Ratio                            |       | Basis  | FY 2024-25 | FY 2023-24 | % Change | Reason For Variance   |
|-------|----------------------------------|-------|--|------------|------------|----------|-----------------------|
| 1     | Current ratio                    | Times | Current assets / Current liabilities               | 1.20       | 1.27       | (6%)     | Refer note i) below   |
| 2     | Debt-Equity ratio                | Times | Total Debt / Equity                                | 1.13       | 1.08       | 4%       |                       |
| 3     | Debt service coverage ratio      | Times | Earnings for debt service* / Debt Service          | 1.66       | 1.79       | (7%)     | Refer note ii) below  |
| 4     | Return on equity ratio           | %     | Profit after tax / Shareholders' Equity            | 3.16%      | 4.15%      | (24%)    | Refer note iii) below |
| 5     | Inventory turnover ratio         | Times | Cost of Goods Sold** / Average inventory           | 3.48       | 3.39       | 3%       |                       |
| 6     | Trade receivables turnover ratio | Times | Revenue from operations / Average trade receivable | 5.92       | 6.56       | (10%)    |                       |
| 7     | Trade payables turnover ratio    | Times | Cost of Goods Sold** / Average trade payables      | 4.21       | 6.14       | (31%)    |                       |
| 8     | Net capital turnover ratio       | Times | Revenue from operations / Working capital\$        | 12.62      | 9.16       | 38%      |                       |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

| S. No | Ratio                      |   | Basis   | FY 2024-25 | FY 2023-24 | % Change | Reason For Variance  |
|-------|----------------------------|---|---|------------|------------|----------|----------------------|
| 9     | Net profit ratio           | % | Net Profit/(Loss) after tax / Revenue from operations | 1.11%      | 1.55%      | (28%)    | Refer note iv) below |
| 10    | Return on capital employed | % | Earnings Before Interest and tax# / Capital Employed@ | 6.80%      | 6.41%      | 6%       |                      |
| 11    | Return on investment       | % | PAT/Total Assets                                      | 1.08%      | 1.50%      | (28%)    | Refer note v) below  |

\* Earnings for Debt Service = Earnings before finance costs, depreciation and amortisation, 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 (recognised).

@Capital Employed = equity and total borrowings.

- Current ratio (%)**: Current ratio has been decreased mainly because of increase in Current Liabilities.
- Debt service coverage ratio (%)**: Return on debt service coverage has been decreased mainly because of decrease in EBIDTA & Increase in finance cost
- Return on Equity (%)**: Return on equity has been decreased mainly because of decrease in Net profit and Increase in total equity due to conversion of share warrants on premium. (Refer Note No 20 & 21)
- Net profit ratio**: decrease in net Profit is mainly because of decrease in profit.
- Return on investment (%)**: decrease in Return on Capital employed is mainly because of decrease in profit & Increase in fixed assets due to project are capitalised.

### 55. DISCLOSURE UNDER IND AS 116 "LEASES"

The Company has lease contract for building used in its operations. Lease of buildings has a lease term of 3 years.

#### Amount recognised in Statement of profit or loss

| (₹ in Lakhs)                           |   |   |
|--|---|---|
| Particulars                            | Year Ended 31 <sup>st</sup> March, 2025 | Year Ended 31 <sup>st</sup> March, 2024 |
| Depreciation of right-of-use assets    | 131                                     | 155                                     |
| Interest Income on Security Deposit    | 79                                      | 142                                     |
| Interest Expenses on lease liabilities | 17                                      | 11                                      |

#### Maturity Pattern of lease liability

Finance Lease discounted

| (₹ in Lakhs)      |   |   |
|-------------------|---|---|
| Particulars       | Year Ended 31 <sup>st</sup> March, 2025 | Year Ended 31 <sup>st</sup> March, 2024 |
| Less than 1 years | 100                                     | 60                                      |
| 1-3 years         | 213                                     | 34                                      |
| <b>Total</b>      | <b>313</b>                              | <b>94</b>                               |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

### Movement of Lease Liability

| Particulars                              | (₹ in Lakhs)                               |  |
|--|--|--|
|  | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
| <b>As at 1<sup>st</sup> April, 2024</b>  | <b>57</b>                                  | <b>260</b>                                 |
| Additions                                | 389  | -  |
| Accretion of Interest                    | 17   | 11   |
| Payment                                  | 150  | 214  |
| <b>As at 31<sup>st</sup> March, 2025</b> | <b>313</b>                                 | <b>57</b>                                  |
| Current Lease Liability                  | 100  | 57   |
| Non Current Lease Liability              | 213  | -  |

### Movement of Security Deposit

| Particulars                             | (₹ in Lakhs)                               |  |
|---|--|--|
|   | Year Ended<br>31 <sup>st</sup> March, 2025 | Year Ended<br>31 <sup>st</sup> March, 2024 |
| <b>As at 1<sup>st</sup> April, 2024</b> | <b>1,672</b>                               | <b>1,530</b>                               |
| Additions                               | -  | -  |
| Accretion of Interest during the year   | 79   | 142  |
| Payment                                 | (549)                                      | -  |
| <b>As at 31 March 2025</b>              | <b>1,202</b>                               | <b>1,672</b>                               |

### 56 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 31<sup>st</sup> March, 2025 with any struck off companies.
- There are no charges or satisfactions of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- The Company has complied with the provisions of clause (87) of Section 2 of the Act with regard to the Companies (Restriction on number of Layers) Rules 2017.
- There is no Scheme of Arrangements approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013 during the year.
- 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.
- 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

- 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.

### 57 SEGMENT INFORMATION

#### Operating Segment

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

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

- (b) 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.

|              | (₹ in Lakhs)    |                 |
|--------------|-----------------|-----------------|
| Revenues     | 2024-25         | 2023-24         |
| Domestic     | 1,73,444        | 1,76,071        |
| Export       | 1,12,251        | 86,735          |
| <b>TOTAL</b> | <b>2,85,695</b> | <b>2,62,806</b> |

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.

- (c) There are no assets in foreign countries held by the Company except the amounts due from the exports.

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

### 58 CORPORATE SOCIAL RESPONSIBILITY

- a) Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended 31<sup>st</sup> March, 2025 is ₹ 499 Lacs (during the year ended 31<sup>st</sup> March, 2024 is ₹ 163 Lacs). This includes ₹ Nil towards provision for unspent amount pertaining to ongoing projects (during the year ended 31<sup>st</sup> March, 2024 is ₹ Nil).

|   | (₹ in Lakhs)                 |                              |
|---|------------------------------|------------------------------|
| Particulars   | For the year ended           |                              |
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| a) Amount required to be spent by The Company during the year                                   | 263                          | 228                          |
| b) Amount of expenditure incurred on purpose (other than construction/acquisition of any asset) | 499                          | 163                          |
| c) Excess spend of prior year set off during the year   | 122                          | 187                          |
| 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                           |
| <b>The CSR amount carry forward in next year.</b>   | <b>358</b>                   | <b>122</b>                   |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025 (CONTD.)

(₹ in Lakhs)

| Details of Expenditure related to CSR incurred during the year: | For the year ended           |                              |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| a) Environmental Sustainability                                 | 33                           | 24                           |
| b) Promoting Education  | 114                          | 58                           |
| c) Promoting Health Care  | 22                           | 50                           |
| d) Rural Development  | 9                            | 14                           |
| e) Promoting gender equality, empowering women and Old Age Home | 300                          | -                            |
| f) Promoting Sports   | -                            | -                            |
| g) Sanitation and making available safe drinking water          | -                            | 6                            |
| h) Protection of National Heritage, Art and Culture             | 10                           | -                            |
| i) Eradication Hunger, Poverty and Malnutrition                 | 11                           | 11                           |
| <b>Total</b>  | <b>499</b>                   | <b>163</b>                   |

- b) Out of above ₹ 92 Lakhs (Previous Year ₹ 86 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 11 Lakhs (Previous year ₹ 11 Lakhs) spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

### 59 CONTRIBUTIONS TO POLITICAL PARTIES

Disclosure under the section 182(3)

(₹ in Lakhs)

| Particulars                       | For the year ended           |                              |
|-----------------------------------|------------------------------|------------------------------|
|                                   | 31 <sup>st</sup> March, 2025 | 31 <sup>st</sup> March, 2024 |
| Contribution to political parties | -                            | -                            |

### 60 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.

### 61 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 29<sup>th</sup> May, 2025.

The Board of Directors have recommended a dividend @20 % on equity share, subject to approval from the shareholders at the ensuing AGM.

- 62** Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

### 63 GENERAL INFORMATION:

- 1** The Consolidated Financial Statements present the Consolidated Accounts of Sangam (India) Limited with its Subsidiary Company:

| Name                    | Country of Incorporation | Proportion of Ownership of Interest |                                   |
|-------------------------|--------------------------|-------------------------------------|-----------------------------------|
|                         |                          | As at 31 <sup>st</sup> March 2025   | As at 31 <sup>st</sup> March 2024 |
| 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          | As a % of Consolidated Profit | Amount       | As a % of Consolidated Other Comprehensive Income | Amount    | As a % of Consolidated Total Comprehensive Income | Amount       |
| Parent : Sangam India Limited                           | 99.67%   | 1,00,341        | 86.38%                        | 2,747        | 50.75%  | 34        | 85.65%  | 2,781        |
| Subsidiary: Sangam Ventures Limited                     | 4.23%  | 4,258           | 13.65%                        | 434          | 49.25%  | 33        | 14.38%  | 467          |
| <b>Sub Total</b>  | <b>103.89%</b>                                       | <b>1,04,599</b> | <b>100.03%</b>                | <b>3,181</b> |   | <b>67</b> |   | <b>3,248</b> |
| Inter - Company Elimination & Consolidation Adjustments | (3.89%)  | (3,921)         | (0.03%)                       | (1)          | 0.00%   | -         | (0.03%)   | (1)          |
| <b>Grand Total</b>                                      | <b>100%</b>  | <b>1,00,678</b> | <b>100%</b>                   | <b>3,180</b> | <b>100%</b>                                       | <b>67</b> | <b>100%</b>                                       | <b>3,247</b> |

## 3 Material 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. Recognising 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   |                                |
|---------|---|--------------------------------|
|         | <b>Name of Subsidiary Company</b>                             | <b>Sangam Ventures Limited</b> |
| 1       | The date since which Subsidiary was incorporated and acquired | 3 <sup>rd</sup> December, 2021 |
| 2       | Reporting Currency  | ₹                              |
| 3       | Equity Share Capital  | 1,197                          |
| 4       | Other Equity  | 3,061                          |
| 5       | Total Assets  | 12,190                         |
| 6       | Total Liabilities   | 7,932                          |
| 7       | Investments   | -                              |
| 8       | Revenue from Operations / Total Income                        | 7,244                          |
| 9       | Profit Before Taxation  | 541                            |
| 10      | Provision for Taxation/def.tax                                | 106                            |
| 11      | Profit After Taxation   | 435                            |
| 12      | Other Comprehensive Income                                    | 33                             |
| 13      | Total Comprehensive Income                                    | 468                            |
| 14      | % of Shareholding   | 100%                           |

#### 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) (DIN 00401439)

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

**(Dr. S. N. Modani)**  
Vice Chairman  
(DIN 00401498)

**(Anurag Soni)**  
Managing Director  
(DIN 03407094)

**(Deepa Rathi)**  
Partner  
Membership No.104808  
UDIN: 25104808BMJHDM1997

**(Abishek Dad)**  
Partner  
Membership No. 409237  
UDIN: 25409237BMOVNU8294

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

**(S. R. Dakhera)**  
Chief Financial Officer

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

Place: Bhilwara  
Date: 29<sup>th</sup> May, 2025

[illegible]

[illegible]

[illegible]

# Corporate Information

## BOARD OF DIRECTORS

**Mr. R. P. Soni**

Chairman

**Dr. S. N. Modani**

Vice Chairman

**Mr. Anurag Soni**

Managing Director

**Mr. V. K. Sodani**

Executive Director

**Mr. Sudhir Maheshwari**

Non-Executive Director

**Mr. Dinesh Chander Patwari**

Non-Executive Director

**Mr. Upendra Prasad Singh**

Non-Executive Director

**Mrs. Irina Garg**

Non-Executive Director

## EXECUTIVES

**Mr. Pranal Modani**

Chief Executive Officer  
(Yarn & Denim Business)

**Mr. S. R. Dakhara**

Chief Financial Officer

**Mr. Arjun Agal**

Company Secretary

## AUDITORS

R. Kabra & Co. LLP, Mumbai  
O.P. Dad & Co., Bhilwara

## REGISTRAR & TRANSFER AGENT

**Bigshare Services Pvt. Ltd.**

Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle  
Business Park, Next to Ahura Centre,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400 093, Maharashtra  
Tel. No: +91-022-62638200  
Email: investor@bigshareonline.com

## BANKERS

State Bank of India

Punjab National Bank

IDBI Bank Ltd.

Canara Bank

Central Bank of India

Export-Import Bank of India

Uco Bank

## REGISTERED OFFICE

Atun, Chittorgarh Road,  
Bhilwara - 311 001, Rajasthan  
Tel No.: +91-1482-245400-406  
Email: secretarial@sangamgroup.com

## PLANT LOCATIONS

### Spinning Unit-I

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

### Spinning Unit-II

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

### Spinning Unit-III

N.H. 79, Village Soniyana, Naga  
Ka Khera, Tehsil: Gangrar - 312 901  
Chittorgarh Rajasthan

### Weaving, Processing & Seamless Garment Unit

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

### Denim Unit

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







Value through values

[www.sangamgroup.com](http://www.sangamgroup.com)

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If undelivered, please return to:

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Email: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com)