



Value through values

SANGAM (INDIA) LTD.

(CIN - L17118RJ1984PLC003173)

Regd. Off. : P.B. No. 90, Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)

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FORM A

1.	Name of the Company	Sangam (India) Limited
2.	Annual Financial Statements for the year ended	31 st March, 2015
3.	Type of audit observation	Un-qualified
4.	Frequency of observation	Whether appeared first time/repetitive/since long period: N.A.

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

(Anil Jain)
CFO & Company Secretary
ICSI Membership No. F3147

(Achintya Karati)
Chairman - Audit Committee
DIN: 00024412



Auditors of the Company:

M/s B.L. Chordia & Co.
Chartered Accountants
Firm Registration No. 000294C

(B.L. Chordia)
Partner
Membership No. 010882

M/s R. Kabra & Co.
Chartered Accountants
Firm Registration No. 104502W

(R.L. Kabra)
Partner
Membership No. 016216



Unveiling A Brand New Future.



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SANGAM (INDIA) LIMITED

Annual Report

2014-15



www.sangamgroup.com

Unveiling A Brand New Future.

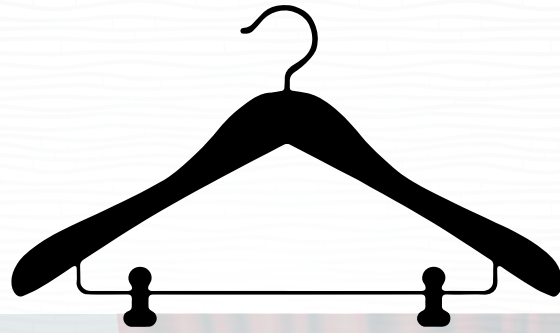
The cover of the annual report is indicative of the launch of Channel Nine - an exclusive range of seamless garments for the women of today. Channel Nine is our first direct-to-consumer brand and is a stepping stone to unveil a brand new future.

The REPORT PATH

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Forward-looking Statements

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



THE SECRET
OF CHANGE
IS TO FOCUS ALL
OF YOUR ENERGY,
NOT ON FIGHTING
THE OLD,
BUT ON BUILDING
THE NEW.

~ Socrates



“The best thing about the future is that it comes one day at a time.”
– Abraham Lincoln



The future IS HERE!

At Sangam we have not only believed in the thought but have worked towards envisioned goals – diligently – each day in the past thirty years. Today, we stand on a stage from where we can see the future playing out exactly the way we envisioned it. With the textiles industry undergoing a sea-change in wake of skyrocketing domestic demand, e-commerce and demand for diverse designs, finishes and consumer segments; we too have successfully evolved as an integrated player in textile value chain. We have established our leadership in the PV Yarn segment as well as processed fabric, and denim segments in the past few years. In the past two years, we consistently focused our energies on exploring the last mile – branded garments – specifically women-wear.

In 2015, we finally stepped into a new arena with Channel Nine - our first indigenous brand of seamless garments, especially designed for the modern Indian women. With this move, we have truly evolved as a 360 degree fully integrated textiles player – having presence across textile ecosystem. Channel Nine caters to the empowered Indian women, who demand world-class quality, global trends and a premium feel at price points which justify the experience. Having built a robust value chain, capacities and an integrated business model, we are at the right junction to cater to an engaging customer segment. This also announces our foray into a B2C mode and opens newer possibilities for the future. The future is here and we are ready for it.



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Sangam (India) Limited
29th Annual Report 2014-15



Built in THREE DECADES.

PARENTAGE

Established in 1984, Sangam is the flagship company of Sangam Group – a **₹4000 cr.+** business conglomerate having diverse business interests across textiles, steel, infrastructure, power and energy sectors. Mr. RP Soni, Chairman & first generation entrepreneur, leads the Group.

REPUTATION

Sangam ranks among the leading players in Indian textiles sector with presence in PV (polyester viscose) dyed yarn and fabrics. One of market leaders in PV dyed yarn with **25% share.** Sangam also has garnered respectable market-share in denim segment within three years of commencement of production.

PEOPLE

7,000+
employees



FULLY INTEGRATED PRODUCT PORTFOLIO

PV Blended Dyed/ Grey Yarn ■ Cotton Spun Yarn ■ Cotton Open End Yarn ■ Texturised Yarn
Knitted Fabrics ■ Woven Fabric ■ Denim Fabric ■ Seamless Garments



**SANGAM
(INDIA)
LIMITED
BHILWARA**

Weaving,
Processing
and
Seamless
Garment
Plant (Atun)

Denim
Plant
(Biliya
Kalan)

Spinning
Plant Unit - I
(Biliya Kalan)

Spinning
Plant Unit - II
(Sareri)

Capacities

Spindles 211,296 / 55000 MTPA
Open End Rotors 3,128 / 14000 MTPA
Knitting Machine 18 / 3000 MTPA
Texturising Machines 3 / 7200 MTPA
Weaving Machines 437 / 50 MMPA
Process House 53 MMPA
Seamless Garment
Knitting Machines 36 / 3.6 mn.pcs.Pa
Coal Based Captive
Thermal Power Plants 31 MW
Captive Solar
Power Plants 1 MW
Wind Power Plants
at Jaisalmer 5 MW

Brands

Channel Nine
Sangam Suitings
Sangam Denims
Sangam Yarns

Marketing network

More than
100 dealers
1000 retailers
across India

Listing

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



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Built to LAST



WE CONTINUED TO PERFORM DESPITE CHALLENGES

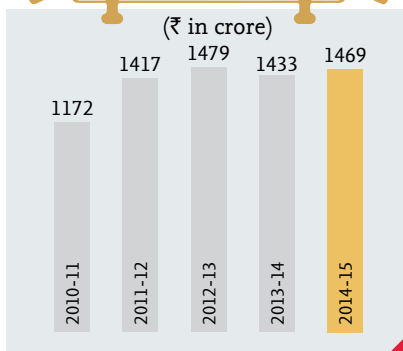
- Forayed into Seamless Garments with Brand Channel Nine
- Improved focus on increased integration synergies across divisions
- Yarn production increased by 2.65% to 62329 M.T. in 2014-15, from 60722 M.T. in 2013-14
- Denim fabric production increased by 15.71% to 26.1 mn meters in 2014-15, as against 22.5 mn meters in 2013-14
- Exports were ₹ 330.27 crore in 2014-15

FINANCIAL PERFORMANCE

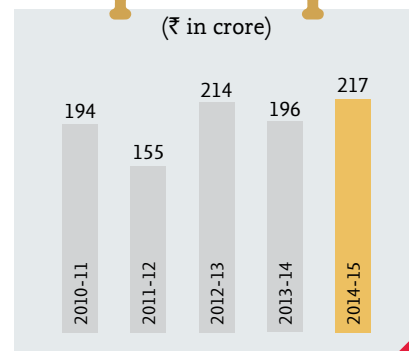
- Net revenues of ₹ 1468.66 crore in 2014-15 vs. ₹ 1432.61 crore in 2013-14
- EBITDA ₹ 217.39 crore in 2014-15 vs. ₹ 195.74 crore in 2013-14
- Net profit ₹ 51.57 crore in 2014-15 vs. ₹ 40.50 crore in 2013-14
- Registered an EBITDA margin of 14.8% and Net profit margin of 3.5% in 2014-15
- Debt equity ratio of 0.91 as on 31st March 2015 as against 1.12 as on 31st March 2014



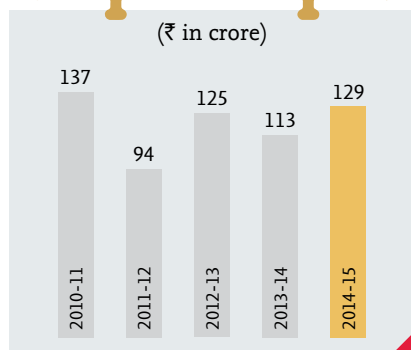
Net Turnover



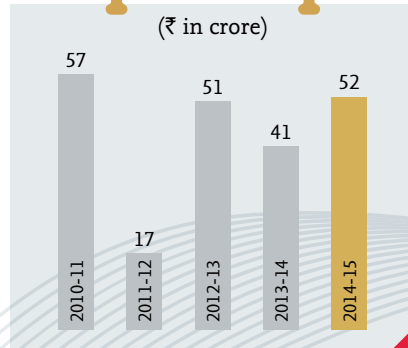
EBIDTA



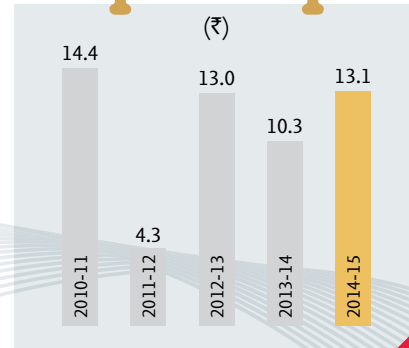
Cash Profit



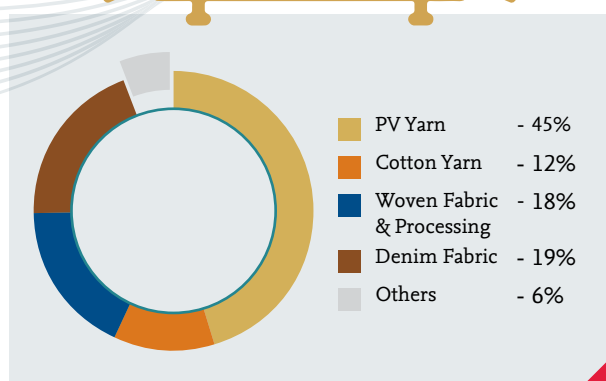
Net Profit



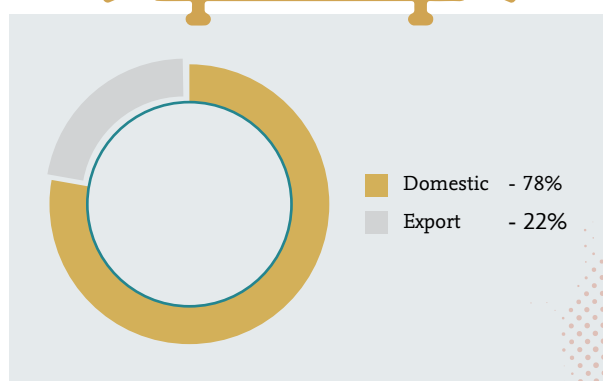
Earning Per Share



Product-wise Revenues



Geography-wise Revenues





Chairman's review



R. P. Soni
Chairman
Sangam (India) Ltd.

Pride in the past. EYES ON THE FUTURE.

Dear Shareholders,

2014 was a defining year for India, epitomized by the historical and decisive mandate – offered by the young country to a visionary leader. In the months that followed, the sentiment of countrymen displayed an upward trend, buoyed by the initiatives of the new government.



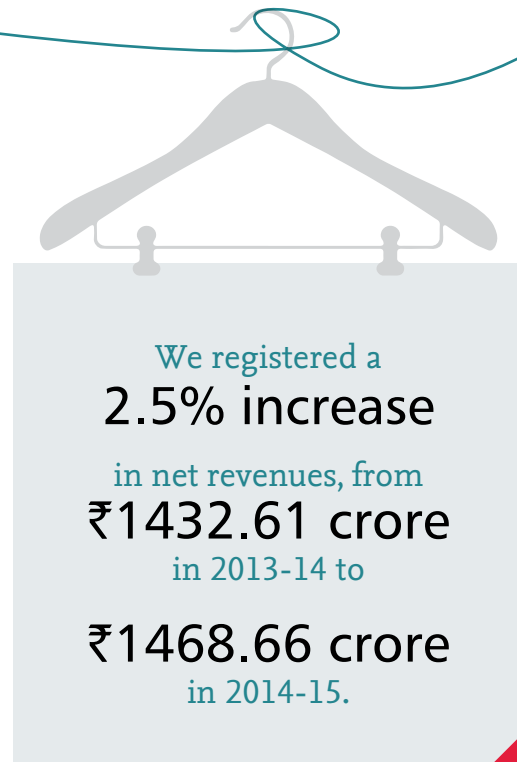
However, the economic revival remains a long drawn battle owing to global volatility, slowdown in domestic infrastructure spending and lower job creation despite higher aspirations among youth. But the silver lining remains in some progressive actions by the government aimed at addressing socio-economical themes and challenges. The impact of the initiatives will be more visible in the coming year.

2014 also offered some good news – close to 50% fall in oil prices globally, stability in domestic inflation leading to rate cuts by Banks and the rise of consumerism evident from high decibel sales on new generation e-commerce portals. All these had a significant impact on the company's operations in a positive way during the year under review.

Being a leader in PV yarn, our capacities built over the past few years have paved way for higher integration and also enabled us to offer new products as forward integration, namely blended fabrics and denim. Our presence in cotton yarn segment boosted our denim production capabilities, thereby ensuring superior quality at competitive prices. We have successfully garnered decent market share in the value-for-money denim segment in the country, in a short time. Going forward, we intend to continue investing into our denim capacities and also gradually foray into garmenting. We feel there is a huge opportunity in the exports market, which we would gradually aim to capitalise upon, in the coming years. Besides, we would continue to focus on improving our range of denims to include newer designs, blends and finishes going forward.

We have always focused on broadening our horizons and push our capabilities to create value for our stakeholders. We are proud to announce our foray into seamless garments for women under Channel Nine brand. Having established our presence across the value chain, our foray into branded seamless garments not only will enable us to extend our value proposition directly to consumer segments through our own brand; but more importantly pave way for improving margins going forward. Given the explosion of demand in the women-wear segment, Channel Nine would offer diverse range at affordable price across customer segments. We are also leveraging our existing channels of distribution as well as initiating newer channels (online) to capture the market share in ₹15,000 crore domestic apparel industry. Besides, we are also building up our presence in the PV suiting market with success of "Sangam Suitings".

2014-15 was also the first full year of operations post our exit from the toll collection business. The decision to exit the



unrelated business was painful momentarily – then resulting in the loss of earnings and subsequently hitting our profitability. But it also enabled us to focus more intensively on our area of expertise. Our team of professionals across units culminated their expertise to infuse new energy in our vision. I am happy to report that this positivity and efforts have reflected well on our results for the year under review. We registered a 2.5% increase in net revenues, from ₹1432.61 crore in 2013-14 to ₹1468.66 crore in 2014-15. The company reported a net profit of ₹51.57 crore, accounting for an increase of 27.3% against ₹40.50 crore in 2013-14. The EBIDTA of the company also improved by 11.1% to ₹217.39 crore in 2014-15 against ₹195.74 crore in 2013-14.

However, future is never judged on the past or the present. It lies in continuously striving towards the envisioned goals with the same intensity and passion every day. The initiatives we have lined up to be executed in the next two years, will result in a company which is more robust, more immune to the industry cycles, more profitable and moreover, will be a part of lives of millions of more customers. We are committed to it along with all our stakeholders – our employees, our investors and communities we work with. On behalf of Sangam, I would like to thank each and everyone of you for being part of this exciting journey.

Thank you.

R. P. Soni, Chairman



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From BUSINESS TO BRAND



THE SEAMLESS ADVANTAGE

- ⤴️ REDUCE LABOUR COSTS
- ⤴️ FEWER MACHINES
- ⤴️ SMALLER WORK SPACE
- ⤴️ LOWER ENERGY COSTS
- ⤴️ REDUCE YARN AND FABRIC INVENTORY
- ⤴️ QUICKER SAMPLES
- ⤴️ PRODUCTION OF COMPLETE GARMENT
- ⤴️ ENGINEERED FEATURES LIKE COMPRESSION, VENTILATION
- ⤴️ JUST IN TIME PRODUCTION

At Sangam we have always believed that successful future doesn't emanate from past laurels. Therefore, we have always focused on expanding our value proposition – even if it takes momentary discomfort. In 2014, having sensed the need to expand our product portfolio in wake of constricting margins, we focused on the seamless garment segment. In 2015, we launched Channel Nine – a top-of-the-line branded apparel range dedicated to the woman of today. Channel Nine clothing is designed to provide the woman of today, ultimate freedom of movement, comfort, fit and an enhanced fashion quotient, as she rushes about her daily business. Channel Nine offers wide range of the products including intimate wear, shape wear, medical wear, active wear, casual wear and nightwear.

To ensure best-in-class quality of Channel Nine products, we invested into an innovative seamless technology, imported from Italy. We have built a manufacturing capacity of 3.6 million units for seamless fabrics at our Atun plant, which will also give us enough scope to undertake further expansion in the future. Our first consumer-focused brand Channel Nine leverages our belief and expertise in offering best-in-class products across diverse price points. Our uncompromising quality focus also has enabled us receive positive reviews from both the domestic and international buyers at the initial phase.

Going forward, we are investing into brand building and expanding reach of Channel Nine within targeted customer segments. Towards this, we are leveraging our own distribution channels to gain presence through multi-brand outlets as well as investing into



We have built a
manufacturing capacity of

3.6 million

units for seamless fabrics at
our Atun plant



CHANNEL NINE

exclusive brand outlets as well as own e-commerce portal (for direct orders). In addition, given the explosion of ecommerce segment in the country, we are partnering with established players such as Flipkart, Amazon, ebay, snapdeal, Paytm, fashionara, belletouch, to name a few. With Make in India catching the imagination of the global communities, we are also firming up our plans to focus on high-growth exports markets and in-licensing opportunities going forward.



From ROUGH TO RANGE



Rough roads often lead to smoother future. In 2007, when we invested into our denim capabilities, the demand was not so robust owing to weakening economy. In addition, the challenges ranged from competition from local as well as global brands as well as high cotton prices. Over the years, we have silently yet surely met demanding conditions and focused on piecing a sustainable future in terms of margins and quality. In the past three years we have witnessed strong tailwinds in the segment for our product and have captured market share steadily.



Having invested into backward integration – cotton yarn capacities, dyed yarn capacities and fabric processing – we have been able to offer a wide variety of a superior product at affordable price points to a value conscious segment across the relevant markets of presence. We have further expanded our reach through a robust marketing and distribution strategy – giving our products shelf-space across thousands of outlets. Since inception of the production of denim at Sangam, we have already doubled the denim capacities to 32 million meters P.A. However, we are vying for more.



At Sangam, we have already
doubled the denim capacities to

32 million meters P.A.



At Sangam, we believe Denim to be at the forefront of our growth strategy. We are firming up our plans to expand the capacity in the denim segment. In addition, given our demonstrated expertise in product innovation, we are expanding the product range to include variety of finishes, processes and value-added products. Having received initial success at the exports arena, we also intend to increase our exposure to exports. In addition, post Channel Nine, we are gearing up to introduce denim garments under our in-house brand, which will further establish our leadership in the attractive segment going forward.

From SCALE TO SLEEK

Longer distances demand nimbler feet. At Sangam, we have always believed in minimising our waste-line not only to look good but also to capitalise upon the opportunities that may appear in a dynamic landscape. Having witnessed a tough year in 2013-14, we focused our energies during 2014-15 to critically examining key cost centres. We focused on insulating the processes to minimise wastage, optimising resources to improve efficiency and consolidating services to improve cost control across units.



We successfully modified our capacities, thereby resulting in better integration and efficiency in the value chain. Today, our denim fabrics and seamless garments rely minimally on the externally sourced raw materials. In the past four years, our in-house consumption of PV yarn has grown from 5% in 2010-11 to 18% in 2014-15. At the same time, we consume about 50% of the cotton yarn captively, despite nearly doubled capacities in the past four years. We are initiating further investments in yarn and fabric capacities to ensure complete integration of the textile value chain in the coming years.



we consume about
50% of the
cotton yarn captively



Investments in capacities lead to scale. However, we have continued to focus on reducing controllable costs to improve our profitability, despite regular expansion. In the past five years, we have rationalised our long-term debts to half, thereby considerably reducing interest cost. This also enables us to be agile and use the strong balance sheet to leverage in wake of suitable opportunities without eroding stakeholder value. Being a cash flow positive company, we have preserved our stringent value creation philosophy and have garnered robust support from all stakeholders.



From LEAP TO LEAD

Future is created by what we choose to do today. At Sangam, we have always believed in striving for excellence each day. In doing so, we have laid processes and networks, which have helped us, build a credible enterprise. Being a PV Yarn player, we focused on building capacities which enabled us to expand our presence in the suiting segment. Our timely investments in the cotton yarn production formed the foundation of our denim foray. With each product line, we never lost touch of the basics – the quality and the distribution network.



Our fascination for quality has enabled us to even meet the requirements of most demanding clients across relevant markets - evident by our continued improvement in export revenues. We have established footprints across key markets including Turkey, Portugal, Egypt, China, Poland, Brazil, Germany, Belgium, Chile, Italy, Australia, Japan, UK, USA UAE, South Africa, etc. These associations have also enabled us gain traction for newer products and thereby optimise our distribution costs.

At home, we have traditionally enjoyed longstanding relationships with our dealers and retailers. Today, we at Sangam have a robust network of 100 dealers and 1000 retailers – giving us access to majority of Indian consumers.



Sangam have a robust network of

100 dealers and
1000 retailers

– giving us access to majority of Indian consumers



This has also become the foundation for our newly launched consumer-facing product brand – Channel Nine. Most of the credible retailers have posed immense faith in our product quality and enabled us create initial buzz for the brand at much lesser cost. They, on the other hand, have also played a crucial role in the pre-development stage for the brand – offering us vital inputs and understanding of the evolving consumers, which is instrumental in the brand's acceptance among the target audiences. In the coming years, we expect to launch more consumer brands and product lines by marrying our understanding of product, processes, quality fascination and the intelligence bestowed upon us by our credible distribution network.



From COPE TO CHANGE

The future is promised to no one and hence all we should do is to try sincerely. At Sangam, we believe, change happens when intent, action and collaboration comes together. Having established a successful enterprise, we have strongly believed in sharing our success with the communities around us. We have more than 7,000 people working together for the enterprise, thereby generating employment in a smaller town like Bhilwara. This contributes immensely not only to the lives of the families of our employees but creates a better local economy of their resident towns.



Our commitment on offering a growth friendly and career rewarding environment across our units and offices is non-negotiable. We have implemented an open-door and transparent working culture, thereby honing potential talent into promising leaders. The low attrition rate at the senior and mid management levels reflects our commitment and its impact on the talent acquisition and retention.

We have also ensured a better quality of life in the communities we work with through sustained investments in education, healthcare and environment.



Sangam School of Excellence, An

ISO 9001:2008

Certified School



Some of the notable initiatives taken by the company are:

Education

- Sangam School of Excellence, An ISO 9001:2008 Certified School, among the most modern education facilities in the State of Rajasthan and is affiliated with CBSE and IB (IGCSE).
- Sangam University in Bhilwara, Rajasthan, recognised by UGC under the UGC Act. Known for its Engineering, Management, Graduate and Post Graduate Programmes.

Healthcare

Smt. Kesar Bai Soni Memorial Hospital & Research Centre assisted by Apollo Hospital - a state-of-the-art hospital, which has the best-in-the-region facilities in primary, diagnostic and tertiary healthcare. The hospital has 100 beds and is served by a highly experienced and motivated team of doctors and support staff.



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Board of DIRECTORS

R. P. SONI



Chairman

S. N. MODANI



Managing Director & CEO

V. K. SODANI



Executive Director

ACHINTYA KARATI



Director

RAMAWATAR JAJU



Director

T. K. MUKHOPADHYAY



Director

SEEMA SRIVASTAVA



Additional Director



MANAGEMENT Team

ANURAG SONI



Chief Business Strategist

PRANAL MODANI



Chief, Business Development

ANIL JAIN



CFO & Company Secretary

J. P. AGARWAL



President

S. K. PANDEY



President
(Works - Spinning Unit-II)

ANIL SHARMA



President
(Works - Processing)

SANJEEV JOSHI



President
(Domestic Marketing - Fabric)

L. L. SONI



Jt. President
(Finance & Investor Relations)

K. M. RATHI



Jt. President
(Commercial)

S. K. BAGHELA



Executive Vice President
(Technical - Spinning Unit-I)

SUNIL RATHI



Executive Vice President
(Denim)

P. R. KHATOR



Executive Vice President
(Commercial)

LALIT JAIN



Executive Vice President
(Accounts)

M. BHANU PRATAP



Sr. Vice President (TPP)

RAVI TAPARIA



Sr. Vice President
(Export Marketing - Yarn)

BHIM SINGH KUSHWAH



Sr. Vice President
(Personnel & Administration)



Management Discussion & Analysis

ECONOMIC OVERVIEW

2014-15 was a challenging year for the global economy. Oil prices once trading at \$115 per barrel witnessed a sharp dip to 50% levels by December 2014. The estimates indicate no mid-term threat towards rising prices. However, the low crude prices failed to enthuse confidence in the global economy owing to the various challenges across multiple economies. While the Eurozone grappled with its currency crisis, with inflation rising in Greece and Spain. The slowdown began to take shape in China, with the government deciding to ditch the “growth at all cost” strategy employed since 2008 and took initiatives to control credit flow. This started to hurt the Germans, as the orders of machines were impacted. The US started to show results on which still remains a long road to recovery. However, speculations continue to thrive on the rise of bank rates by the Central Bank, in wake of the economic upturn. However, now with the weaker outlook on Europe and China, and the potential impact on US Dollar, the rate rise may be further delayed.

Indian economy

Year 2014-15 can be termed as a euphoric year of contrasts. The national elections of 2014 set the tone in terms of uprising of a single largest party in years. The mandate along with the bleak economic situation led people to believe that growth will be brisk and therefore various business optimism indices reflected the optimism. However, the road to recovery is always steeper than the fall. While the equity markets rose, both in terms of election results and business confidence; the reality continued to bear the brunt of heightened optimism. With the oil prices also coming down, the investment cycles from the corporates remain stagnant. Moreover, while the plans are being made and the grounds being laid to kick-start investment programs in infrastructure sector; the current scenario is demonstrating the signs of impatience. While indigenous programs like Make in India and Swachh Bharat Abhiyaan have also been initiated; the predictions signal a timeline of two years for the optimism to ferment into economic growth.

The Government is now focused on simplifying processes and attracting more investments from the Indian diaspora outside country along with global companies. The Government also focused on removing policy bottlenecks to simplify documentation and processes to initiate business activities. The Union Budget announced measures to restart the infrastructure creation and prior to that the coal blocks allocations were completed successfully. Given the large consumer economy and favourable demographic indicators, the country is attractively poised to reignite its economic machinery.

India is the second most economically confident nation due to the improved performance by the industry and services sectors, according to a recent report by global research company, Ipsos, called Ipsos Economic Pulse of the World. India needs to revitalize the investment cycle and fast-track structural reforms to speed up growth, the report says.

Outlook

According IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016.

India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in 2015 as against 6.9 per cent in 2014. The size of the Indian economy is estimated to be at ₹129.57 trillion (US\$ 1.99 trillion) for the year 2014 compared to ₹118.23 trillion (US\$ 1.82 trillion) in 2013.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2014-15 is ₹106.4 trillion (US\$ 1.64 trillion), as against ₹99.21 trillion (US\$ 1.53 trillion) in 2013-14, registering a growth rate of 7.2 per cent. The economic activities which witnessed significant growth were ‘financing, insurance, real estate and business services’ at 11.5 per cent and ‘trade, hotels, transport, communication services’ at 10.7 per cent.

Y-o-Y GDP growth projection For 2015-16

		%
Finance Ministry	8.10 - 8.50	
Unescap	8.10	
Asian Development Bank	7.80	
India Ratings	7.70	
World Bank	7.50	
IMF	7.50	
Moody's Investors Service	7.00	

India's actual economic growth



Note : With revised base year of 2011-12

Sources : Respective agencies, economic survey for 2014-15



Global textiles and apparel market

The global trade of textile and garments was approximately \$781 billion in 2013. This is almost 4.6 per cent of the trade of all commodities, which is estimated at approximately \$17 trillion. From 2008 to 2013, the global textile and garment trade has grown at a CAGR of 4 per cent.

The current global garment market is estimated at approximately \$1.15 trillion which form nearly 1.8 per cent of the world GDP. Almost 75% of this market is concentrated in Europe, USA, China and Japan. An analysis of per capita spends on garment in various countries shows a significant difference between numbers in developed and developing economies. Within the major markets, India has the lowest per capita spend on garment (\$37) which is only 3 per cent of the highest one viz. Australia (\$1,131).

The top five textiles and garment exporting nations are China, India, Italy, Germany and Turkey. China is the single largest exporter with 39 per cent share while India stood at a distant second place with 5 per cent share.

The top five textiles and garment importing nations are US, China, Germany, Japan and United Kingdom. USA is the largest importer with a share of 17 per cent of the total global trade. The Indian textile and garment industry has an important presence in the country's economy through its contribution to industrial output, employment generation,

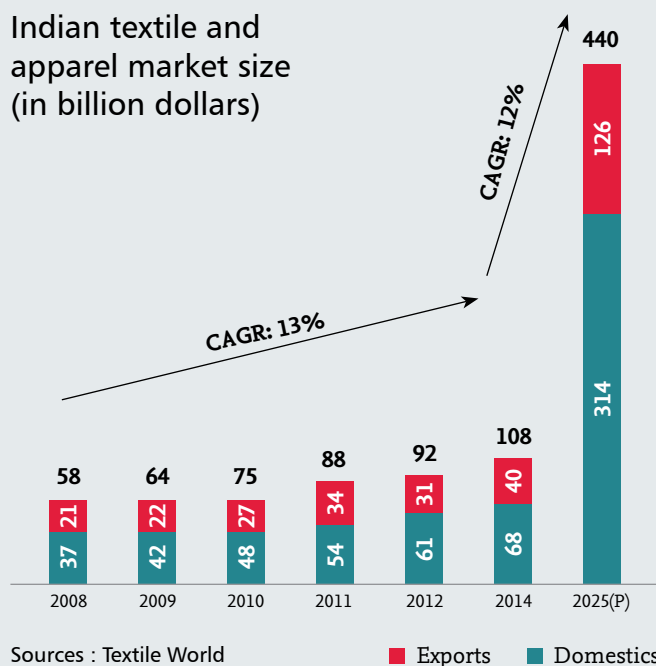
and the export earnings. It contributes almost 5% to the \$ 1.8 trillion Indian economy whereas its share in Indian exports stands at a significant 13 per cent. India is the second largest exporter of textile and garment goods with a global trade share of approximately 5 per cent.

Indian textiles industry

Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24% of the world's spindle capacity and eight per cent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021.

The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14% to industrial production, 4% to the gross domestic product (GDP), and 27% to the country's foreign exchange inflows. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy.

Indian textile and apparel market size (in billion dollars)



Installed capacities in Indian Textile Sector

Description	Capacities
Spindles	490 lakhs
Rotors	8 lakhs
Shuttleless looms	1.2 lakhs
Power looms	23 lakhs
Handlooms	24 lakhs
Man-made fibre production	1,800 million kilograms
Man-made filament production	2,300 million kilograms

Sources : Textile World



Management Discussion & Analysis (Contd.)

In textiles and apparel specifically, domestic consumption has grown at over 13 per cent per annum over the last five years and has reached well over \$60 billion, fuelled by the demographic advantages of India's population, increasing urbanisation, growing disposable income and more marked penetration of organized retail. India's export of textiles and apparel has also grown at over 11 per cent in the last five years and presently stands at \$40 billion – a success but a long way from where China's industry stands today (just 10 per cent), and nowhere near its potential.

Traditionally Indian textile and apparel manufacturing industries have been cotton focused. Even today, cotton has more than a 60 per cent share compared to 40 per cent share globally. But this scenario is changing fast. Manufacturers, as well as brands, are increasingly looking towards other fibre options, mainly polyester. With the increase in the 'Value Retailing' format in the domestic market and increased demand for synthetic fibre-based products from global brands and retailers, demand for polyester is set to grow.

Cotton

- Production of raw cotton grew to 37.5 mn bales in FY14, up from about 28.0 mn bales in FY07, a CAGR of 4.3%

Man Made Fibre

- During the period of FY07-FY14, production increase at a CAGR of 1.7% and stood at 1.28 MT in FY14

Yarn

- Production of yarn grew to 5.3 MT in FY14 from 3.8 MT in FY07, implying a CAGR of 4.9%
- Cotton yarn accounts for the largest share in total yarn production; in FY14, the segment's share amounted to 74%

Fabric

- Fabric production rise to 63,319 MSM (million square meter) in FY14 from 52,665 MSM in FY07, implying a CAGR of 2.7%
- The major segment in FY14 is cotton yarn, which accounted for more than 56%

Exports in 2014-15 – short of expectations

According to the Textiles Export Promotion Council (Texprocil), India's overall exports of textiles and clothing stood at \$41.4 billion in 2014-15 but fell short of the target of \$45 billion, in 2013-14 the exports of textiles and clothing stood at \$39.31 billion against the export target of \$43 billion. Exports of

Traditionally Indian textile and apparel manufacturing industries have been cotton focused. Even today, cotton has more than a

60% share compared to **40%** share globally.

cotton textiles (excluding raw cotton) during 2014-15 were \$9.5 billion as against exports of \$9.7 billion in 2013-14, registering a negative growth.

Strengths

- Third largest producer of cotton in the world.
- Fifth largest producer of man-made fibre and yarn in the world.
- Vertical and horizontal integrated textile value chain.
- Strong presence in entire textile value chain from raw material to finished goods.
- Globally competitive spinning industry.
- Average cotton yarn spinning cost at US\$ 2.5 per kg, which is lower than all the countries including China.
- Low wages: rate at 0.75 US\$ per operator hour as compared to US\$ 1 of China and US\$ 3 of Turkey.
- Unique strength in traditional handlooms and handicrafts.
- Flexible production system.
- Diverse design base.

Weaknesses

- Structural weaknesses in weaving and processing.
- 2 percent of shuttle less looms as percentage of total looms as against world average of 16 percent and China, Pakistan and Indonesia 15 percent, 9 percent and 10 percent respectively.
- Highly fragmented and technology backward textile processing sector.
- Highly fragmented garment industry.
- Except spinning, all other segments are predominantly in decentralized sector.



- ⊗ The rigid labor laws: proving a bottleneck particularly to the garment sector. Large seasonal orders cannot be taken because the labour strength cannot be reduced during the slack season.
- ⊗ Inadequate capacity of the domestic textile machinery-manufacturing sector.
- ⊗ Big demand and supply gap in the training facilities in textile sector.

Growth Drivers

- ⊗ Rising per capita income, favourable demographics and a shift in preference for branded products is expected to boost demand.
- ⊗ Favourable trade policies and superior quality will drive textile exports.
- ⊗ Increase in domestic demand.
- ⊗ Pointed and favourable policies instituted by the government will give the industry a fillip.
- ⊗ With consumerism and disposable income on the rise, the retail sector has experienced rapid growth in the past decade, with many global players entering the Indian market.
- ⊗ The centers of excellence focused on testing and evaluation as well as resource centers and training facilities have been set up.
- ⊗ Changing lifestyles and increasing demand for quality products are set to fuel the need for apparel.

Government Initiatives

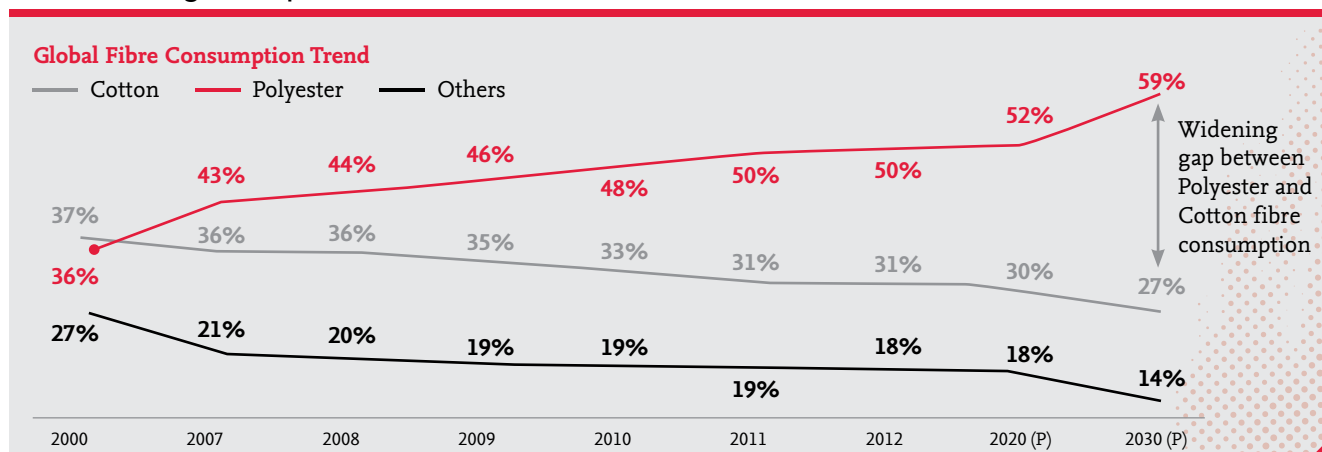
The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed

100 per cent FDI in the Indian textiles sector under the automatic route. Besides, the Government has also initiated various schemes to support and benefit the textile sector including Scheme for Integrated Textile Parks, Integrated Skill Development Scheme, Market Access Initiative, Market Development Assistance, Restructured Technological Upgradation Fund Scheme, Swarnajayanti Gram Swarozgar Yojana, Technology Mission on Technical Textiles, etc. Apart from the Central Government, many State Governments are also making efforts to attract investments in their state.

Key schemes

- ⊗ Technology Upgradation Fund Scheme has infused investment of more than INR 2500 Billion in the industry. Support has been provided for modernisation and upgradation by providing credit at reduced rates and capital subsidies.
- ⊗ Scheme for Integrated Textile Parks provides world class infrastructure to new textile units. To date, 57 Textile Parks have been sanctioned with an investment of INR 60 Billion. By 2017, 25 more Textile Parks are to be sanctioned.
- ⊗ Integrated Processing Development Scheme for sanctioning processing parks has been initiated. INR 5 Billion has been earmarked for this scheme.
- ⊗ Integrated Skill Development Scheme has provided training to 1.5 Million people to cover all sub-sectors of textiles such as Textile and Apparel, Handicrafts, Handlooms, Jute and Sericulture.
- ⊗ Till 2000, fibre consumption at global level was majorly cotton focused.

The MMF segment potentiel

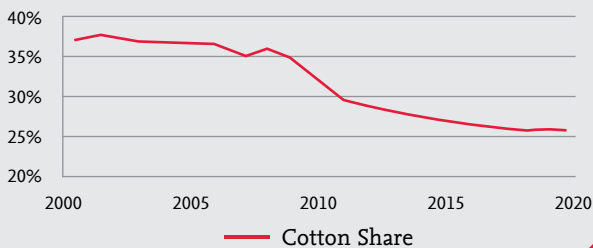




Management Discussion & Analysis (Contd.)

- By 2030, it is expected that consumption of polyester will be more than double to that of the cotton fibre.
- India's overall share in global textile and apparel trade is about 5% in 2013
- However, out of total 864 textile and apparel commodities traded in 2012 there are 317 commodities in which India had a share less than 1%.
- Collective trade in these commodities is ~ US\$ 208 Bn, while India's trade in them is only ~US\$ 385 mn. (0.19%).
- The untapped opportunity remains in MMF based product categories, which can give an exponential growth to India's export of textile and apparel.

Cotton Share of World Mill Consumption



Indian Denim Sector

India is the second-largest producers of denims after China. Denim is of the most promising category in India's apparel market. In 2013, the denim market of India was worth ₹13,500 Cr. which accounts for 5 percent of the total apparel market of the country. The market is projected to grow at a CAGR of 15 percent to become ₹27,200 Cr. market in 2018.

The denim market in India is skewed towards men's segments with 85 percent contribution coming from it. Women's denim segment contributes 9 percent to the market and the kids segment the rest 6 percent. The women's and kid's denim segments are expected to witness higher growth rates due to their lower base and increasing focus of brands and retailers on those segments.

The value share of denim market is skewed in favour of mega metros and metros, which account for almost half of the total denim market at a share of 49 percent. Though the markets of other urban areas and rural India contribute high in volume terms, their combined share in market value is only 51 percent.

In India unbranded denim products dominate the market with around 60 percent share of the market. The share of brands in denim market stands at 40 percent. Most of the unbranded players operate on the lower price segment of the market where awareness of quality of fabric, finishing and washes, design and fit are relatively low.

The emergence of semi-urban clusters, areas having less number of farming communities, across the country has opened a plethora of opportunities for regional brands and retailers. A typical denim consumer of the semi-urban cluster demonstrates a blend of the characteristics of urban and rural consumers; like an urban consumer he or she shows awareness of brand and product quality and like a rural consumer pricing and affordability plays a crucial role in his or her purchase decisions.

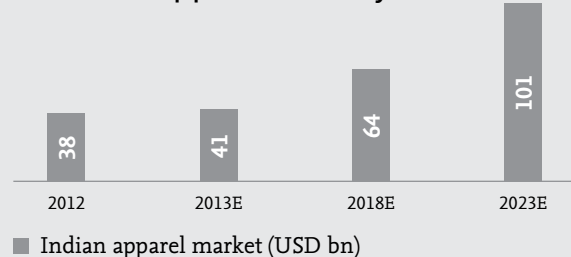
Key demand driving factors

- An aspiration youth (15-29 year olds) with higher spending power than previous generations, which make 26 percent of the consuming population.
- A wide range of consumer segment that consider denim as an apparel of choice owing to its comfort and style.
- Favoured preference for denim amongst youth owing to its versatile association.
- Increasing usage of denim products by women and youth in smaller cities and rural India.

Key trends

- In India most of the denim manufacturers focus on the domestic markets as the value realisation remains higher in domestic market than in export markets.
- In the recent times the industry has witnessed entrance of new fabric manufacturers which is expected to make the market for denim fabric more price competitive in the coming years.
- Cotton remains the fibre of choice in denim apparel. In blended denim fabrics polyester is being used as weft threads.
- The demand for stretch denim is growing at a faster rate in India market due to its comfort and fit characteristics.
- The colour of denim jeans is no longer limited to traditional blue colours. Indian youth has started accepting denim in different colours including green, red, yellow etc.
- India's domestic apparel market garners \$41 bn.

Domestic apparel industry





- 9% CAGR over 2013E-2023E.
- Highly fragmented with only 19% of sales coming from organized sector.
- Unorganized players largely dominate women's wear market.
- Women's tops and shirts market is expected to post a CAGR of 12%.
- While women's t-shirts and casual wear is expected to post 15% CAGR.

Indian inner wear

- One of the high growth categories in the apparel market.
- The category growth is an impressive 12% CAGR.
- Present size: INR 15,870 crore (\$2.4 bn);

- Expected size: INR 27,900 crore (\$4.3 bn) by 2017.
- The women's innerwear segment contributes 60% to the market approximately.

Indian active wear

- India's market for sportswear garners \$7.3 bn.
- It is expected to have grown @33% p.a. between 2010-2014.
- Some of the few trends supporting this growth are:
 - Increased media coverage of sports.
 - Success of top Indian athletes.
 - Investment into sports infrastructure.
 - Participation from women.

COMPANY OVERVIEW

	Yarn – 57%	Fabric – 37%
Revenue share	PV Yarn – 45%	PV Fabric - 18%
	Cotton Yarn - 12%	Denim - 19%
Geographic presence (by revenue share)	Domestic - 78%	Domestic - 75%
	Exports - 22% (Asia, Latin America, Europe, Middle East)	Exports - 25% (Asia, Latin America, Europe, Middle East)
Market position	Has ~25% share in the Indian dyed PV yarn market, as indicated by the management	Fast growing branded player in a highly fragmented industry with large number of unorganised players
Industry growth expectations (in volumes) for 2012-13 to 2017-18E	Blended yarn - 5.5-6.5% CAGR	Domestic RMG segment: 5-6% CAGR
	Cotton Yarn – 3.5-4.5% CAGR	
End market	Synthetic and cotton fabric manufacturers	Synthetic garments and apparel manufacturers
Sales growth (FY11-FY15 CAGR)	PV Yarn : 1.7% CAGR	PV Fabric : 9.3% CAGR
	Cotton Yarn : 10.7% CAGR	Denim Fabric : 19.1% CAGR
	Total Yarn : 3.2% CAGR	Total Fabric : 13.9% CAGR
Demand drivers	Consumption by the domestic synthetic shirting and suiting segment	
	Favourable price competitiveness of PV yarn vis-a-vis cotton yarn	
	Shift in preference for apparels made from blended fabric rather than cotton fabric	
	Growing preference for denims as daily wear	
Margin drivers	Demand conditions	Cost of raw material
	Cost of raw material, PSF and VSF	Backward integration: Yarn produced in-house meets the entire requirement for denim fabric
	Cost of substitute, cotton yarn	
Key risks	Fashion and behavioural changes	Recent entrant in the branded fabric space; hence faces stiff competition from established brands
	High dependence on key vendors for PSF and VSF requirements	



Management Discussion & Analysis (Contd.)

Company overview

Sangam, the flagship company of Sangam group, is a leading manufacturer of PV yarn in India. Sangam was promoted as a fabric manufacturing unit, under the name of Arun Synthetics Pvt. Ltd, by Mr. R.P. Soni and Mr. S.N. Modani. The company took a strategic decision to backward integrate and forayed into spinning in 1995 by installing 17,280 spindles for manufacturing PV dyed yarn. The company is also present in the Indian synthetic blended fabric and denim segments with brands such as Sangam Suitings and Sangam Denim. The company's client base includes Raymond, RSWM, Banswara Syntex, Donear, Siyaram and Grasim. It has a network of 100 dealers and 1,000 retailers across India. Sangam's manufacturing facilities are located in Bhilwara, Rajasthan. As of FY15, the company has a spinning capacity of 211,296 spindles and 3,128 rotors; weaving capacity of 437 looms; and processing capacity of 53 mn meters P.A.

Manufacturing Capacity

Particulars	FY13	FY14	FY15
Spindles	201216	201216	211296
Fibre Dying Capacity (In % of Finished Production)	100%	100%	100%
Open End Rotors	3904	3908	3128
Texturising Machines	3	3	3
Knitting Machines	18	18	18
Weaving Machines (No. of Looms)	381	381	437
Fabric Processing (in Million Meter P.A.)	53	53	53
Seamless Garment Knitting (No. of Pcs. in Lacs)	-	-	36
Coal Based Captive Thermal Power Plants (in MW)	31	31	31
Captive Solar Power Plants (in MW)	-	-	1
Wind Power Plants (in MW) at Jaisalmer	5	5	5

Financial performance

Sangam registered a 2.5% increase in net revenues, from ₹1432.61 crore in 2013-14 to ₹1468.66 crore in 2014-15. The company reported a net profit of ₹51.57 crore, accounting for an increase of 27.3% against ₹40.50 crore in 2013-14. This was mainly owing to efficiency and productivity measures taken in the earlier years coupled with improved market share for company's denim product line. The EBIDTA of the company also improved by 11.1% to ₹217.39 crore in 2014-15 against ₹195.74 crore in 2013-14. The company has managed to reduce the debt burden during the year under review; the impact of which is going to be visible in the coming year. In addition, the company also forayed into branded seamless garment segment at the end of the year under review. This segment offers a huge potential, given the company's robust and integrated business model coupled with high demand in the woman intimate wear as well as active wear segments

YARN DIVISIONS

- 📍 **Locations:** Biliya Kalan and Sareri, Rajasthan
- 📦 **Products:** PV Yarn, PV-Dyed Yarn and Cotton Yarn
- 🏭 **Capacities:** 96864 spindles in Biliya Kalan and 114432 spindles in Sareri
- 📈 **Contributes 57% to the company's total revenue.**

Rationale for presence

Sangam is the largest player in the Indian PV yarn market, commanding a share of 25%, and is the largest producer of blended dyed yarn in the country in a single location. Being the market leader, it is the price leader in certain counts such as 2/15s and 2/18s.

The company's presence in PV yarn as well as cotton yarn segments enables it to capitalise upon market opportunities with a certain degree of immunity from volatility. Currently, the company has used its presence across product segments to strengthen its denim division. While about 20% of its PV yarn is consumed in-house towards bottom wear, summer suits and now active wear; the cotton yarn is consumed about 50% by

Sangam
has a colour bank of more than
5000 shades and produces **6-50** counts of yarns.



its denim, till the end of the year under review. However, the company has forayed into woman intimate wear and active wear, which along with high demand for denim will lead to higher captive consumption of the yarn division, leading to better margins going forward.

FABRICS DIVISIONS

P/V Fabrics

- 🌀 **Locations:** Atun, Rajasthan
- 🌀 **Products:** PV fabrics, processed fabrics
- 🌀 **Capacities:** PV fabrics – 18 mn meters; Processed fabrics – 53 mn meters
- 🌀 Contributes 18% to the total revenues of the company

Rationale for presence

The company has refocused on its fabrics business since the past two years owing to higher demand and newer distribution platforms spurring consumer spends. The company offers wide range of woven PV fabrics, used for Suitings and bottom wear. The company also offers branded suiting fabrics apart from readymade suits.

Denim Fabric

- 🌀 **Unit:** Biliya Kalan, Rajasthan
- 🌀 **Products:** Denim Fabric
- 🌀 **Capacity:** 32 mn meters
- 🌀 Contributes 19% to total revenues.

Rationale for presence

The company forayed into production of denim fabric in 2007 and graduated to being a branded denim manufacturer by 2012. Ever since its inception, denim segment has continued to offer high growth owing to the varieties of finishes, the designs, the quality far better than value for money, and an exhaustive distribution network. Being a strategic fit to Company's existing businesses – of Cotton & PV yarns as well as fabric processing capabilities, the denim segment will continue to be a key segment of expansion for the company. Today, the company ranks among the top seven denim manufacturers in the country.

Channel Nine – foray into branded garments

The company has forayed into branded garment segment – thereby completing its presence across the value chain – from yarn to branded garments. The brand – Channel Nine, offers an international catalogue of seamless garments for women – including active wear, intimate wear and casual wear. The

Currently, the company
produces

32

million meters

of its denims mainly through
captive consumption of its
cotton and PV yarns.

company has tasted the initial success with growing demand across e-commerce portals for the brand and has already expanded its footprints across 400 multi-brand outlets across India.

STRENGTHS

Presence across the value chain – from yarn to branded garments

Sangam believes in dressing up the young India and understands well the importance of quality, quantity, variety and affordability. Therefore, the company has progressively invested in its capacities across product segments and ensured better integration. Currently, the company produces 32 million meters of its denims mainly through captive consumption of its cotton and PV yarns. The company has not expanded its focus to cater to active wear segment, again owing to its captive capacity and superior quality of PV yarns.

Wide product range

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

Quality and Research & development

Sangam has always believed in ensuring better quality across product lines. This is evident in the increased market share, the repeat clientele and the customer loyalty that its products



Management Discussion & Analysis (Contd.)

command. The company has not only invested in state of the art machines offering latest technology; but continued to expand its dedicated and fully equipped quality control department over the years. In addition, Sangam's units are equipped with world-class and advanced quality testing equipment like Uster tester, evenness tester and hairiness tester – all of them ensure that the yarn produced is free of neps and other faults like low strength, colour-fading, low strength, unevenness in colour, etc. Owing to its ability to offer consistent quality, the company's yarns command a premium at key markets. The company employs strict quality checks across its units including colour fastness test, light fastness test, rubbing fastness test, pilling test, residual shrinkage test, checking of cloth construction parameters and the comparison of the finished fabric with the customer's specifications.

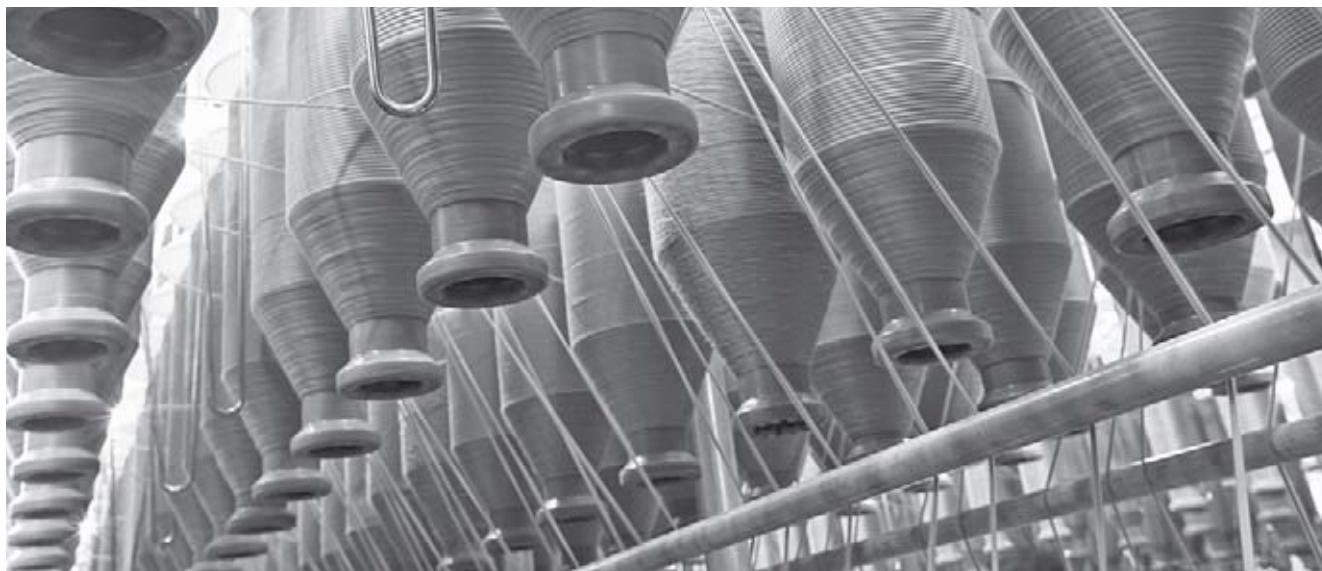
Sangam's research teams constantly try to develop new and value-added products and introduce colour shades to suit the end use of its customers. Our units are equipped with world-class labs, advanced equipment and qualified professionals to ensure fast turnaround of new products.

Sangam Employs
strict quality checks across its units including colour fastness test, light fastness test, rubbing fastness test, pilling test, residual shrinkage test, checking of cloth construction parameters and the comparison of the finished fabric with the customer's specifications.

Cost control

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





Marketing and selling

The company has evolved as a brand-focused player in the past five years, with successful amplification of “Sangam Suitings”. Over the years, the company has appointed reputed celebrities including Virat Kohli, Sunil Shetty and Ajay Devgan as face of its brand. The company continues to take novel initiatives to keep its distributors well versed with the corporate brand and the products.

With Channel Nine, the company has forayed into a B2C mode. The company is already initiating steps to amplify the brand using word of mouth, ATL and BTL activities. The company has already tied up with several reputed ecommerce players, who also offer a credible platform to measure and assess customer feedback at regular intervals and hence design/ modify its marketing strategy going forward.

INFORMATION & TECHNOLOGY

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

HUMAN RESOURCES

At Sangam employees are not only considered to be the stakeholders in the corporate growth but also are the key drivers of its performance. The Company always endeavors to provide an environment that encourages talented professionals to perform to their fullest potential. The Company owes its success to its loyal and efficient human asset. The Company believes that, by effectively managing and developing human

resources, it can achieve its vision. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. This also encourages employees to shoulder more responsibilities and take part in the growth of the Company's business. The Human Resource strategies aim at attracting, developing and retaining talent pool in the Company. As on the number of employees was about 7000. The industrial relations were also cordial during the period under review.

INTERNAL CONTROL SYSTEM

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

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

RISKS AND CONCERNS

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



Directors' Report



The Board of Directors present the 29th Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended March 31, 2015.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2015 is summarised below:

Particulars	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
Net Turnover	1468.66	1432.61
Profit before Tax & Depreciation	152.56	135.47
Depreciation	80.40	74.32
Provision for Doubtful Debts/Advances	0.35	0.30
Profit before Tax	72.16	61.15
Tax Expense - Current Tax	24.26	23.30
- Deferred Tax	(3.67)	(2.65)
Profit after Tax	51.57	40.50
Brought forward Profit	78.58	75.00
Proposed Dividend	7.88	5.91
Tax on Dividend	1.60	1.01
Transfer to General Reserve	30.00	30.00
Carried to Balance Sheet	90.67	78.58



OPERATIONAL RESULTS

Your company's performance during the financial year can be considered satisfactory despite adverse market conditions. Turnover was ₹1468.66 Crore as against ₹1432.61 Crore of previous year, Net Profit increased to ₹51.57 crore compared ₹40.50 crore in the previous financial year ended 31 March 2014. Exports was lower than the last year from ₹342.34 crore to ₹330.27 crore for the year.

DIVIDEND

In view of the satisfactory performance, your directors are pleased to recommend for your approval, dividend of 20% on 3,94,21,559 equity shares of ₹10/- each for the financial year 2014-15 aggregating to ₹7.88 crore, which is subject to approval at the forthcoming Annual General Meeting. The company would also pay corporate tax on distributed dividend and dividend would be tax free in the hands of the shareholders.

EXPANSION

The Company successfully implemented its project of ₹76.50 crores for installation of 36 nos. Machines for manufacturing of seamless garment, 10080 spindles for manufacturing of cotton yarn and 56 weaving machines for denim fabric weaving.

PUBLIC DEPOSITS

The company has not accepted any deposits from the general public within the meaning of Section 73 of the Companies Act, 2013 and rules made thereunder.

DIRECTORS

In terms of Section 149 of the Act, the members at their meeting held on September 30, 2014, had appointed Mr. Achintya Karati, Mr. Ramawatar Jaju and Mr. Tapan Kumar Mukhopadhyay as Independent Directors of the Company for a period of five years or upto their date of retirement, whichever was earlier.

Ms. Seema Srivastava was appointed as Additional Woman Director of the Company w.e.f. March 30, 2015 and she hold office upto the date of the forthcoming Annual General Meeting and are further proposed to be appointed as Independent Director of the Company for a period of five years commencing from October 1, 2015.

The company has received declarations from all the Independents Directors confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance with the Companies Act, 2013 and Articles of Association of the Company, Shri S.N.Modani, Managing Director of the Company retire by rotation and being eligible

offer himself for re-appointment at the ensuing annual general meeting.

KEY MANAGEMENT PERSONNEL

During the year under review, the Company has designated following personnel as KMPs as per the definition under Section 2(51) and Section 203 of the Act.

- Shri S.N.Modani, Managing Director and Chief Executive Officer
- Shri Anil Jain, Chief Financial Officer and Company Secretary

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Agreement. There are no materially significant Related Party Transactions made by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee comprising Shri Achintya Karati, Chairman, Shri TK. Mukhopadhyay, Member, being Independent Director and Shri R.P.Soni, Non Executive Director for the Company, for its approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

During the Fiscal There are no material transactions between the Company and the related parties as defined under Clause 49 of the Listing Agreement. Further, all transactions with related parties have been conducted at an arm's length basis and are in ordinary course of business. Accordingly there are no transactions that are required to be reported in Form AOC-2, as required under Section 134(3)(h) of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014, and as such does not form part of the Report.



Directors' Report (Contd.)

SUBSIDIARY COMPANY

The company has no subsidiary company.

AUDITORS

M/s R. Kabra & Company, Chartered Accountants, Mumbai and M/s BL Chordia & Company, Chartered Accountants, Bhilwara, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has obtained a written consent and relevant certification from the Auditors proposed to be re-appointed. A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General meeting.

AUDITORS' REPORT

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

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s S.P.Jethlia & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for the year ended 31st March, 2015 is annexed herewith and forming part of the report.

CORPORATE GOVERNANCE

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

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the inter, statutory, cost, external agencies and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments, and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts of the company for the year ended on March 31, 2015 on a 'going concern' basis.
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were generally operating effectively; and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is stated in the Corporate Governance Report and is also available on the Company's Website: www.sangamgroup.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at www.sangamgroup.com.

The Company has identified following focus areas of engagement which are as under:

- Eradicating hunger, poverty and malnutrition



- Promoting Health care including Preventive Health care
- Ensuring environmental sustainability and ecological balance through
- Employment and livelihood enhancing vocational skills and projects
- Promotion of education especially among children, women, elderly and the differently abled
- Promoting gender equality and empowering women
- Contribution or funds provided to technology incubators located within academic institutions
- Rural Development Projects

The Company has made the relevant provisions for CSR activities in the Books of Accounts. The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalizing this report as the time was too short to identify suitable projects for spending the same.

RISK MANAGEMENT

During the year, the Audit Committee, evaluated the Risk Management Policy of the Company to make it more focused in identifying and prioritising the risks, role of various executives in monitoring and mitigation of risk and reporting process. The Risk Management Policy has been reviewed and found adequate to the requirements of the Company by independent firms of Chartered Accountants and approved by the Board.

The Audit Committee evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company.

WHISTLE BLOWER MECHANISM

The company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report there concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website www.sangamgroup.com

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in a separate statement is annexed herewith and forming part of the report. (Annexure - I)

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

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

HUMAN RESOURCES MANAGEMENT AND INDUSTRIAL RELATIONS

The Company continues to focus on training its employees on a continuing basis, both on the job and through training programs. Relations with the staff members and the workmen continued to be cordial and satisfactory during the year under consideration.

COST AUDITORS

In accordance with the directive of the Central Government and pursuant to Section 148 of the Companies Act, 2013, M/s. K. G. Goyal & Co., Jaipur, Cost Accountants and M/s V.K.Goyal & Co., Bhilwara, Cost Accountants, have been appointed as Cost Auditors to audit the cost accounting records relating to Company's units as allotted to them respectively for the financial year 2015-16.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return is annexed herewith and forming part of the report. (Annexure-VI)

ACKNOWLEDGEMENT

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

For Sangam (India) Limited

R. P. Soni

Chairman

(DIN 00401439)

Place: Bhilwara

Dated: 02nd May, 2015



Annexure – I

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED, 31ST MARCH, 2015.

Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹60,00,000

Sl. No.	Name	Designation & nature of Duties	Remuneration Received (' In Lacs)	Qualification	Age (Years)	Experience (Years)	Date of Commencement	Last Employment held
1	Shri S.N. Modani	Managing Director	147.36	M.Sc., M.B.A.	51	26	01.03.1991	Manglam Cement Ltd.

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

Annexure – II

INFORMATION REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015.

CONSERVATION OF ENERGY

A) Energy Conservation measures taken

1. Installation of Inverter on Carding for Doffer to reduce the friction loss.
2. Installed the new modified PVC line for Air compressor to reduce the friction losses as well as to eliminate the corrosion problem.
3. Smaller size and energy efficient rings and spindles have been used in Ring Frames instead of bigger size rings and spindles.
4. Provided invertors in the suction fans of Auto Coner Winding Machines.
5. Modified the Doffer part in LC1/3 Carding and installed the inverter with new energy efficient type motor to save the energy as well as save from friction losses.
6. Changed the Motor and Suction fan, where ever the low suction is required to save the energy.
7. Installed the LED tube in Ring Frame area to save the energy from existing Fluorescent lamp and also to improve the illumination level.
8. Used High temperature and High Speed Grease (Synthox-HT) with Energy Efficient imported SKF bearing to reduce the losses of Friction and improvement of life of bearing and reduction of maintenance of Motors.
9. Modified the NDE cover of Main Motor in Jingwei Ring Frame and changed the bearing from 6210C3 to 6310C3 to reduce the frequent failure of bearing and installed our Grease and imported bearing to save the energy and friction loss also.

10. Installation of Servo/Constant Voltage Stabilizer for lighting load after assembling all wiring at Central location.
11. Installation of Energy Efficient Motor (EFF-1) in TFO and other useful places like Fans, Humidification etc.
12. Installed the new TFO with energy efficient motor to save the energy as well as increase the production also
13. Use of Treated water at following areas for reduction of input water :- Humidification Plant Air Washer, Cooling Towers, Gardening, Agriculture, Floor Washing, Ash quenching and Coal Spray etc.
14. Used High Temperature and high-speed grease (Synthox-HT) to reduce the overhauling consumption and reduce the bearing consumption also.
15. Installed the 8 MVA Transformer to increase the efficiency of 33 KV sub-station by reducing the break down losses by changing the old transformer.
16. Remove the additional energy meter installed at GSS to improve the eff of existing CTPT as the same is running with the common CTPT.
17. Installed the Transport Fan in place of condenser in Blow room to save the energy as well as improve the house keeping at false ceiling also.
18. Installed the standby meter for proper metering with AVVNL.

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

The company is putting investments on ongoing basis for reduction of consumption of energy.

(C) Foreign Exchange Earning And Outgo

Particulars	2014-15	(₹ in Lacs) 2013-14
a) Total Foreign Exchange used	56.48	22.32
b) Earning in Foreign Exchange	324.72	337.74



Annexure – III

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015

[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

Atun, Chittorgarh Road, Bhilwara – 311001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sangam (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - 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, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2009 (Not applicable to the Company during the Audit period);

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit period);
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- 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, 2009 (Not applicable to the Company during the Audit period); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company during the Audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges, if applicable;

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

I 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



Directors' Report (Contd.)

I further report 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.

I further report that during the audit period, there were no instances of:

- Public/Right/Preferential issue of shares/debentures/sweat equity.
- Redemption / buy back of securities.

- Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- Merger/amalgamation/reconstruction etc.
- Foreign technical collaborations.

For **S.P.Jethlia & Co.**

Company Secretaries

Place : Bhilwara

SP Jethlia

Date : 02nd May, 2015

FCS No. 3464, CP No. 4844

Annexure – IV

STATEMENT CONTAINING INFORMATION AS PER SECTION 135 READ WITH THE RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

- The Company's CSR policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural infrastructure and development, sanitation and environment. The primary focus of the Company's CSR initiatives during the year 2014-15 was on projects and programmes for skill development education facility, safe drinking water and health care within the vicinity of the Company's units located at Bhilwara District in Rajasthan. The Company's CSR policy is available on www.Sangamgroup.com.
- Composition of CSR Committee - the Committee has been constituted by the Board of Directors to formulate CSR Policy, recommend the amount of expenditure to be incurred on the activities and monitor CSR Policy. The committee consists of three Directors :
 - Shri Achintya Karati (Independent Director as Chairman)
 - Shri T.K.Mukhopadhyay (Independent Director as Member)
 - Shri R.P.Soni (Non-executive Director as Member)
- The Average Net Profit of the Company for last three financial years is ₹3629.33 Lacs.
- Prescribed CSR Expenditure is ₹72.59 Lacs (Computed as per Section 198 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- Details of CSR spend during the financial year.
 - Total amount to be spent for the financial year : ₹72.59 Lakhs
 - Total amount spent directly by the Company during the financial year : ₹3.92 Lakhs
 - Amount unspent, if any : ₹68.67 Lakhs
 - Manner in which the amount spent during the financial year : The Company has spent amount on the Schools in Villages, Govt. Schemes etc.



Annexure-V

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT 2013. READ WITH RULES 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2015

- The percentage increase in remuneration of each Director, Key Managerial Personnel (KMP) during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are given hereunder:

Sl. No.	Name of Director	Designation	Remuneration of Director/ KMP (₹ in lacs)	Percentage increase/ decrease in remuneration	Ratio of remuneration of Director to median remuneration of employees	Comparison of the Remuneration of the Director / KMP against the performance of the Company
1	Shri R.P. Soni	Non-Executive Chairman	3.15	31.25%	4.17:1	Profit before Tax increased by 18% and Net Profit increased by 27% in financial year 2014-15
2	Shri S.N. Modani	Managing Director & CEO	147.36	39.39%	195.01:1	
3	Shri V.K. Sodani	Whole-time Director	52.41	11.13%	69.36:1	
4	Shri Achintya Karati	Non-executive Independent Director	3.15	31.25%	4.17:1	
5	Shri Ramawatar Jaju	Non-executive Independent Director	0.60	(75.00%)	0.79:1	
6	Shri T.K. Mukhopadhyay	Non-executive Independent Director	2.15	168.75%	2.85:1	
7	Ms Seema Srivastava *	Non-executive Additional Director	NA	NA	NA	
8	Shri Anil Jain	CFO & Company Secretary	27.84	17.52%	36.84:1	

* Ms. Seema Srivastava was appointed w.e.f. 30.03.2015 and not given any remuneration during the financial year 2014-15.

- No. of permanent employees who worked for whole year on the rolls of the Company as on 31st March, 2015 was 3751 Nos. and as on 31st March, 2014 was 3924 Nos.;
- The median remuneration of employees of the Company during the financial year was ₹75567/-
- Relationship between average increase in remuneration and company performance:-
The Profit before tax for the financial year ended March 31, 2015 increased by 18% whereas the increase in median remuneration was 17.04%. The average increase in median remuneration was in line with the performance of the Company.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by 35.30% from ₹129.49 lacs in 2013-14 to ₹175.20 lacs in 2014-15 whereas the Profit before Tax increased by 18% to ₹72.16 crore in financial year 2014-15 in comparison of ₹61.15 crore in financial year 2013-14.
- Variation in market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

- Variation in the market capitalisation during the Financial Year 2014-15 of the Company

Increase in (₹ in crore)	Percentage increase (%)
169.71	122.65

- Price Earning Ratio

Description	As on 31.03.2015	As on 31.03.2014
Price Earning Ratio	5.97	3.42

- Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer in the year 2003-04 : 421%
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
 - No employee has received remuneration in excess of highest paid Director of the Company during the financial year 2014-15.
 - It is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



Annexure-VI

Form No. Mgt 9

PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANY (MANAGEMENT & ADMINISTRATION) RULES, 2014.

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015

I REGISTRATION & OTHER DETAILS:

i	CIN	L17118RJ1984PLC003173
ii	Registration Date	29-Dec-1984
iii	Name of the Company	SANGAM (INDIA) LIMITED
iv	Category of the Company	Public Company
v	Address of the Registered office & contact details	
	Address	Atun, Chittorgarh Road,
	Town / City	Bhilwara
	State	Rajasthan - 311001
	Country Name	India
	Telephone (with STD Code)	01482-305000
	Fax Number	01482-304120
	Email Address	secretarial@sangamgroup.com
	Website, if any:	www.sangamgroup.com
vi	Whether listed company	Yes
vii	Name and Address of Registrar & Transfer Agents (RTA):	
	Name of RTA:	Bigshare Services Pvt. Ltd.
	Address	E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E)
	Town / City	Mumbai
	State	Maharashtra
	Pin Code:	400072
	Telephone	022-40430200
	Fax Number	022-28475207
	Email Address	investor@bigshareonline.com

II PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Textile fibres - Preparation and spinning of cotton fibres including blended cotton	13111	12%
2	Preparation and spinning of Textile fibres - Preparation and spinning of man made fibre including blended man made fibre	13114	45%
3	Weaving and Finishing of textiles - Weaving, manufacturing of cotton and cotton mixture fabrics	13121	19%
	- Finishing of cotton and blended cotton fabric	13131	
4	Weaving and finishing of textiles - Weaving, manufacturing of textiles of man made fibre and man made mixture fabrics	13124	18%
	- Finishing of man made and blended man made textiles	13134	



Directors' Report (Contd.)

"Category of Shareholders"	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				"% Change during the year"
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2806970	203538	3010508	7.64%	2146036	198765	2344801	5.95%	(1.69%)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1965851	-	1965851	4.99%	807191	-	807191	2.05%	(2.94%)
c) Others (specify)	1061705	29806	1091511	2.77%	1261927	29806	1291733	3.28%	0.51%
Sub-total (B) (2):-	20249135	234844	20483979	51.96%	20286192	230071	20516263	52.04%	0.08%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	22315579	234844	22550423	57.20%	22320352	230071	22550423	57.20%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	39186715	234844	39421559	100.00%	39191488	230071	39421559	100.00%	0.00%

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Share holding at the end of the year 31.03.2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anjana Soni	3750	0.01%	-	3750	0.01%	-	-
2	Antima Soni	46050	0.12%	-	46050	0.12%	-	-
3	Anurag Soni	39397	0.10%	-	39397	0.10%	-	-
4	Archana Sodani	60774	0.15%	-	60774	0.15%	-	-
5	Badrilal Rampal Soni Huf	1734268	4.40%	-	1734268	4.40%	-	-
6	Mamta Modani	105404	0.27%	-	105404	0.27%	-	-
7	Radha Devi Soni	377761	0.96%	-	377761	0.96%	-	-
8	Rampal Soni	453950	1.15%	-	453950	1.15%	-	-
9	Rampal Soni Huf	248300	0.63%	-	248300	0.63%	-	-
10	Sriniwas Modani	99779	0.25%	-	99779	0.25%	-	-
11	Finworth Investment Pvt Ltd	475260	1.21%	-	475260	1.21%	-	-
12	Hawamahal Finance Pvt Ltd	2335500	5.92%	-	2335500	5.92%	-	-
13	Necco Shipping Company Pvt Ltd	282450	0.72%	-	282450	0.72%	-	-
14	Neelgagan Commercial Co Ltd.	1400000	3.55%	-	1400000	3.55%	-	-
15	Nikita Credits Pvt Ltd	358200	0.91%	-	358200	0.91%	-	-
16	Park View Investment Pvt Ltd	226065	0.57%	-	226065	0.57%	-	-
17	Sahyog Finance Ltd	172750	0.44%	-	172750	0.44%	-	-
18	Sangam Business Credit Ltd	3155793	8.01%	-	3155793	8.01%	-	-
19	Sangam Fincap Ltd	2216145	5.62%	-	2216145	5.62%	-	-
20	Sangam Granites Pvt Ltd	120815	0.31%	-	120815	0.31%	-	-
21	Sangam Infratech Ltd.	1031029	2.62%	-	1031029	2.62%	-	-
22	Sangam Sutting Pvt Ltd	263670	0.67%	-	263670	0.67%	-	-
23	Sarvodaya Holding Pvt Ltd	1127771	2.86%	-	1127771	2.86%	-	-
24	Scorpio Credits Pvt Ltd	536255	1.36%	-	536255	1.36%	-	-
Total		16871136	42.80%	-	16871136	42.80%	-	-



iii. Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year 01.04.2014		Increase / Decrease in Shareholding during the year		Shareholding at the end of the year 31.03.2015	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	-	-	-	-	-	-
At the End of the year	-	-	-	-	-	-

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name of Shareholder	Shareholding at the beginning of the year 01.04.2014		Increase / Decrease in Shareholding during the year		Shareholding at the end of the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mentor Capital Limited	6414018	16.27%	1316086	3.34%	7730104	19.61%
2	Nidhi Mercantile Limited	4898833	12.43%	-	-	4898833	12.43%
3	General Insurance Corporation of India	1000000	2.54%	(32284)	(0.08%)	967716	2.45%
4	Withal Commercial Private Limited	995990	2.53%	(200000)	(0.51%)	795990	2.02%
5	Life Insurance Corporation Of India	729561	1.85%	-	-	729561	1.85%
6	Ashika Stock Broking Ltd.	706500	1.79%	349298	0.89%	1055798	2.68%
7	Swagatam Marketing Private Limited	405934	1.03%	-	-	405934	1.03%
8	Kamlesh Dangayach	400328	1.02%	(377328)	(0.96%)	23000	0.06%
9	United India Insurance Company Limited	336883	0.85%	-	-	336883	0.85%
10	Techgrow Investments Private Limited	270865	0.69%	(140000)	(0.36%)	130865	0.33%
11	Shilpa Stock Broker Pvt Ltd	2803	0.01%	377561	0.96%	380364	0.96%
12	Highstreet Mercantile Company Private Limited	0	0.00%	199550	0.51%	199550	0.51%

v. Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of Director and KMP	Shareholding at the beginning of the year 01.04.2014		Increase / Decrease in Shareholding during the year		Shareholding at the end of the year 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
a. Directors							
1	Shri Rampal Soni	453950	1.15%	-	-	453950	1.15%
2	Shri Sri Niwas Modani	99779	0.25%	-	-	99779	0.25%
3	Shri Vinod Kumar Sodani	-	-	-	-	-	-
4	Shri Achintya Karati	-	-	-	-	-	-
5	Shri Tapan Kumar Mukhopadhyay	-	-	-	-	-	-
6	Shri Ram Awatar Jaju	-	-	-	-	-	-
7	Smt. Seema Srivastava	-	-	-	-	-	-
b. Key Managerial Personnel (KMP)							
1	Shri Anil Jain	-	-	-	-	-	-



Directors' Report (Contd.)

V INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lacs)

Indebtedness at the beginning of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	59187	-	-	59187
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	59187	-	-	59187
Change in Indebtedness during the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
* Addition	11922	-	-	11922
* Reduction	9428	-	-	9428
Net Change	2494	-	-	2494
Indebtedness at the end of the financial year	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	61681	-	-	61681
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	61681	-	-	61681

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Srinivas Modani (Managing Director & CEO)	Shri Vinod Kumar Sodani (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61.60	25.25	86.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.71	-	5.71
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	74.25	18.56	92.81
	- as % of profit	1.00%	0.25%	1.25%
	- others, specify	-	-	-
5	Others, please specify	5.80	8.60	14.40
	Total (A)	147.36	52.41	199.77

Ceiling as per the Act :- The Remuneration to MDs and WTDs was within the ceiling as per the Act (@10% of profits calculated under section 198 of the Companies Act, 2013)

B. Remuneration to other directors:

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Rampal Soni	Shri Achintya Karati	Shri T.K. Mukhopadhyay	Shri Ramawatar Jaju	Smt. Seema Srivastava	
1	Independent Directors						
	Fee for attending board committee meetings	-	3.15	2.15	0.60	-	5.90
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	3.15	2.15	0.60	-	5.90



Sl No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Rampal Soni	Shri Achintya Karati	Shri T.K. Mukhopadhyay	Shri Ramawatar Jaju	Smt. Seema Srivastava	
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	3.15	-	-	-	-	3.15
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	3.15	-	-	-	-	3.15
	Total (B)=(1+2)	3.15	3.15	2.15	0.60	-	9.05
	Total Managerial Remuneration						-
	Overall Ceiling as per the Act	The Remuneration to IDs and NEDs was within the ceiling as per the Act (@1% of profits calculated under section 198 of the Companies Act, 2013)					

C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd:

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Anil Jain CFO & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.07
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	Others, please specify	-
5	Others, please specify Provident Fund (Co's Contribution), Medical Reimbursement (Exempted), HRA (Exempted)	5.81
Total		27.84

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	"Brief Description"	Details of Penalty / Punishment/Compounding fees imposed	"Authority [RD / NCLT/ COURT]"	"Appeal made, if any (give Details)"	
A. COMPANY						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
B. DIRECTORS						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-



Corporate Governance

Report

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

There are 7 Directors on the Board of Company, comprising 2 Promoters and Executive Directors, 1 Promoter and Non-Executive Director, 3 Independent and Non-Executive Directors and 1 Additional Independent Non Executive Woman Director.

A. Composition

Composition of the Board of Directors of the Company as on 31st March 2015 was as under with details of other directorships and committee memberships: -

Name	Status	No. of other Directorship and committee Memberships	
		Other Directorships	Committee Memberships
Shri RP Soni	Promoters Non Executive Director/Chairman	13	-
Shri SN Modani	Promoters Executive/Managing Director	1	-
Shri VK Sodani	Promoter Executive Director	4	-
Shri Ramawatar Jaju	Independent Non Executive	5	-
Shri Achintya Karati	Independent Non Executive	9	5
Shri TK. Mukhopadhyay	Independent Non Executive	2	-
Ms. Seema Srivastava	Additional Independent Non Executive Director	-	-

Notes:

- Ms. Seema Srivastava was appointed as Additional Independent Non-executive Director as on 30th March, 2015
- Other Directorships includes Private Limited Companies and Alternate Directorships.
- Only Audit Committee, Stakeholders' Relationship Committee, Remuneration Committee have been reckoned for committee membership purpose.
- Shri SN Modani, Shri VK Sodani and Shri RP Soni are related to each other. Shri SN Modani and Shri VK Sodani are the Sons in Law of Shri RP Soni. No other Director is related to any other Director on the Board.
- The membership of Company's Directors on the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee given below elsewhere in this report.



ATTENDANCE OF BOARD MEETING AND AGM

Four meetings of the Board were held during the financial year 2014-15 on 30.04.2014, 31.07.2014, 30.10.2014 and on 06.02.2015. The last Annual General Meeting was held on 30th September 2014.

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

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

MEETING OF INDEPENDENT DIRECTORS AND ATTENDANCE

Independent Directors to meet at least once in a year to deal with matters listed out in Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement which inter-alia includes, review the performance of non-independent directors, chairman and the Board as a whole and assess quality and quantity of flow of information to perform the duties by the Board of Directors.

One meeting of Independent Director was held during the financial year 2014-15 on 30.10.2014. Attendance at meeting of Independent Directors held during the year :-

Sl. No.	Name of the Director	No. of Meeting held	No. of Meeting attended
1	Shri Ramawatar Jaju	1	1
2	Shri Achintya Karati	1	1
3	Shri TK. Mukhopadhyay	1	1
4	Ms. Seema Srivastava	NA	NA

CODE OF CONDUCT

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

CEO/CFO CERTIFICATION

The Managing Director and CEO and CFO & Company Secretary of the Company have certified to the Board as required under provision V of the clause 49 of the listing agreement covering all aspects enumerated therein.

AUDIT COMMITTEE

a. Constitution

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

Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 (Corresponds to section 292A of the Companies Act, 1956) as well as Clause 49 of the Listing Agreement. The Chairman of the Committee is Shri Achintya Karati, an Independent Director and all the members of the Audit Committee are financially literate and have accounting and financial management expertise. The Managing Director & CEO, President and representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

b. Composition

The composition of the Audit Committee as on 31st March, 2015 was as follows:

Shri Achintya Karati	Chairman (Independent Director)
Shri TK. Mukhopadhyay	Member (Independent Director)
Shri RP Soni	Member (Non-executive Director)

c. Meetings and Attendance

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

Date of meetings - 4 meetings of the Audit Committee of Board of the Company were held during the financial year 2014-15 on 30.04.2014, 31.07.2014, 30.10.2014 and on 06.02.2015.



Corporate Governance Report (Contd.)

Attendance

Name of the Director	No. of meetings attended
Shri RP Soni	All
Shri TK. Mukhopadhyay	Three
Shri Achintya Karati	All

- Shri Anil Jain, CFO & Company Secretary is the Secretary to the Committee.

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

The Audit Committee during its four meetings reviewed with the management and the auditors (both external and internal) all issues, which are required to be reviewed by the Audit Committee pursuant to the listing agreement with the Stock Exchanges as also the Companies Act, 2013. The Audit Committee has also reviewed the observations of the internal and statutory auditors in relation to all areas of operations of the company as also the internal control systems. In addition, the committee has been examining all areas associated with the taxation matters (direct and indirect) and has reviewed the measures initiated by the company for mitigating the risks. The Audit Committee has also reviewed the actions taken by the company on various observations and queries of the auditors.

Powers of the Audit Committee

- To investigate any activity within its terms of reference;
- To seek any information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

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. Recommending to the Board, the appointment,

reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

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 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 subsection (3) of Section 134 of the Companies Act, 2013.
 - 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. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.

10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - 12A. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. 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 shall mandatorily review 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 Chief Internal Auditor shall be subject to review by the Audit Committee

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

NOMINATION AND REMUNERATION COMMITTEE

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

Composition

The composition of the Nomination and Remuneration Committee as on 31st March, 2015 was as follows:

Shri Achintya Karati	Chairman (Independent Director)
Shri Ramawatar Jaju	Member (Independent Director)
Shri RP Soni	Member (Non-executive Director)

There were two meetings held of Nomination and Remuneration Committee on 30th April, 2014 and on 31st July, 2014. The Remuneration Policy of the Company is:

i. For Managing/Whole time Directors

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

- a. A fixed component - consisting of salary and perquisites; the perquisites and benefits are in line with the company rules for senior managerial personnel.
- b. A variable component - linked to performance of company as well as of the individual director - consisting of performance linked bonus, as may be determined by the Remuneration Committee, within the limits approved by the shareholders/ subject to Schedule V of the Companies Act, 2013.
- c. Commission payable to Shri S.N. Modani, Managing Director not exceeding 1% and to Shri V.K.Sodani, Executive Director not exceeding 0.25% of the net profits computed under section 197 of the Companies Act, 2013 approved by the shareholders.

ii. For Non-executive Directors

Sitting Fees pursuant to the Article 82(a) of the Articles of Association of the Company, the Board of Directors to determine the sitting fee payable to a director of the Company for attending the meeting of the Board or its Committee not exceeding such amount as permissible under the Companies Act, 2013 and/or Rules made thereunder.

Sitting fees to be paid to the Non-executive Directors increased with effect from 1st May, 2014 as given hereunder:

S. No.	Type of Meeting	Sitting fees
1	Board Meeting	₹40,000/-
2	Audit Committee Meeting	₹25,000/-
3	Stakeholders Relationship Committee Meeting	₹20,000/-
4	Nomination and Remuneration Committee Meeting	Nil
5	Corporate Social Responsibility Committee Meeting	Nil



Corporate Governance Report (Contd.)

Details of remuneration paid to the Whole-time/Independent Directors are given in the Extract of Annual Return in Form MGT 9 which is included in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors as required under Section 135 of the Companies Act, 2013. 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.

Composition

The composition of Corporate Social Responsibility Committee as on 31st March, 2015 was as follows:

Shri RP Soni	Chairman (Non-executive Director)
Shri SN Modani	Member (Executive Director)
Shri Ramawatar Jaju	Member (Independent Director)

Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee reviews the system of dealing with and responding to correspondence from the investors' viz.-shareholders. The details of complaint letters received from Stock Exchange(s), SEBI, Department of Company Affairs are also placed before this committee and it reviews the responses there to individually.

Composition

The composition of Stakeholders' Relationship Committee as on 31st March, 2015 was as follows:

Shri RP Soni	Chairman (Non-executive Director)
Shri Achintya Karati	Member (Independent Director)
Shri Ramawatar Jaju	Member (Independent Director)

Shri Anil Jain, CFO & Company Secretary who is the compliance officer for secretarial compliance is nominated as Compliance Officer for this purpose also.

During the year, 6 complaint letters were received from investors directly or through SEBI and were dealt with satisfactorily. There are no investor grievances pending for a period exceeding one month. There are no pending complaints as on 31st March 2015.

The Board had authorized Shri Anil Jain, CFO & Company Secretary to approve all routine transfers and transmissions of shares. Presently, transfers, transmissions etc. are affected within 12-15 days (as against the stipulated norm of 15 days).

GENERAL BODY MEETINGS

(i) General Meeting

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

General Body Meeting	Day, Date	Time	Venue
26th AGM-2012	Friday, September 28, 2012	4.00 P.M.	Opp. Hr. Secondary School, Industrial Estate, Pur Road, Bhilwara - 311001 (Raj.)
27th AGM-2013	Monday, September 30, 2013	4.00 P.M.	Atun, Chittorgarah Road, Bhilwara - 311001 (Raj.)
28th AGM-2014	Tuesday, September 30, 2014	4.00 P.M.	"The Palm", Mangrop Road, Harni Kalan, Bhilwara - 311001 (Raj.)

(b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2014-15.

**(ii) Postal Ballot**

No Postal Ballot was conducted during the year 2014-15.

(iii) Special Resolutions

At the Annual General Meeting of the Company held on September 30, 2014:

-Re-appointment of Shri SN Modani as Managing Director of the company for a period of 5 years effective from 1st October, 2014.

-Revision in the terms of remuneration of Shri V.K. Sodani, Executive Director of the company.

-Borrowing Limit under section 180(1)(c) of the Companies Act, 2013

The above resolutions were passed with the requisite majority.

DISCLOSURES

- (i) Details of relevant related party transactions entered into by the company are included in the Notes to Accounts. During the year, the Company has framed a Policy on related party transactions setting out (a) the materiality thresholds for related parties and (b) the manner of dealing with transactions between the company and related parties based on the provisions of the Act and Listing Agreement requirements.

During the year, materially significant transactions with related parties, as per the policy adopted by the Company, were in the normal course of business, priced on an arm's length basis and did not have potential conflict with the interests of the company at large. All transactions with related parties entered into by the company were in the normal course of business on an arm's length basis and were approved by the Audit Committee.

- (ii) The company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- (iii) The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy, which provides a formal mechanism for all Directors and employees of the company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. A copy of policy is also uploaded on the website of the Company. The disclosures reported are addressed

in the manner and within the time frames prescribed in the Policy. The company affirms that no director or employee of the Company has been denied access to the Audit Committee.

- (iv) Reconciliation of Share Capital Audit

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

MEANS OF COMMUNICATION

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

Corporate Filing and Dissemination System (CFDS)

Corporate Filing and Dissemination System (CFDS) The Stock Exchanges have the CFDS which is a portal jointly owned, managed and maintained by the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). It is a single source to view information filed by listed companies. All disclosures and communications to the BSE and NSE are filed electronically through the CFDS portal www.corpfiling.co.in.

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 upload on the Listing Centre.

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who



Corporate Governance Report (Contd.)

have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

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

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATR) 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, Directors' 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 Reports are also available in the Investor Relations section on the Company's website www.sangamgroup.com

Green Initiative

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the company had during the financial year 2014-15 sent various communications by email to those members whose email addresses were registered with the Depositories or the Registrar and Transfer Agents. Physical copies sent to only those members whose email addresses were not available.

In view of the Listing Agreement with the Stock Exchanges, the company has emailed soft copies of its Annual Report to all those shareholders who have registered their email address for the said purpose. We would greatly appreciate and encourage more members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company to receive soft copies of the Annual Report, Notices and other informations disseminated by the company, on a real-time basis without any delay.

GENERAL SHAREHOLDER INFORMATION

a. 29th Annual General Meeting	
- Date and Time	Wednesday, September 30, 2015 at 4.00 p.m.
- Venue	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)
b. Financial Calendar	
- Unaudited results for the quarter ending June 2015	4th August, 2015
- Un-audited results for the quarter/half year ending September 2015	15th November, 2015
- Un-audited results for the quarter ending December 2015	14th February, 2016
- Audited results for the year ending March 31, 2016	May 2016
c. Book closure date	24.09.2015 to 30.09.2015 (both days inclusive)
d. Dividend payment date	Within 7 days of AGM (Subject to approval at the AGM)
e. The listing fee has been paid up to date, to all the Stock Exchanges.	
f. Bombay Stock Exchange Ltd. (BSE)	
i. Scrip code	514234
ii. Scrip ID	SANGAM
Trading symbol at National Stock Exchange of India Ltd. (NSE)	SANGAMIND
Demat ISIN Numbers in NSDL & CDSL	INE495C01010



Stock Market Data

The reported high and low prices of equity shares of Sangam traded during fiscal 2014 on BSE and NSE are set out in the following table:

Month	Bombay Stock Exchange Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
	Share Price (in Rs.)		Sensex		Share Price (in Rs.)		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2014	41.45	33.65	22,939.31	22,197.51	41.50	34.15	6,869.85	6,650.40
May, 2014	44.50	36.10	25,375.63	22,277.04	44.50	34.60	7,563.50	6,638.55
June, 2014	59.00	38.55	25,725.12	24,270.20	58.15	38.00	7,700.05	7,239.50
July, 2014	88.70	53.10	26,300.17	24,892.00	88.60	52.80	7,840.95	7,422.15
August, 2014	79.60	68.35	26,674.38	25,232.82	79.40	68.50	7,968.25	7,540.10
September, 2014	88.00	72.00	27,354.99	26,220.49	88.00	71.55	8,180.20	7,841.80
October, 2014	86.60	76.00	27,894.32	25,910.77	86.00	75.15	8,330.75	7,723.85
November, 2014	86.50	75.55	28,822.37	27,739.56	86.45	76.70	8,617.00	8,290.25
December, 2014	94.05	69.65	28,809.64	26,469.42	93.85	69.00	8,626.95	7,961.35
January, 2015	82.20	68.00	29,844.16	26,776.12	82.00	68.05	8,996.60	8,065.45
February, 2015	82.00	73.05	29,560.32	28,044.49	82.50	71.05	8,941.10	8,470.50
March, 2015	107.50	71.15	30,024.74	27,248.45	107.95	71.35	9,119.20	8,269.15

Share Transfer System

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

(i) Distribution of Share holding as on March 31, 2015

Category Range-Shares	Shareholders		Shareholding	
	Number	% age	Number of Shares	% age
Up to to 500	6701	86.40	995840	2.53
501 - 1000	493	6.36	409907	1.04
1001 - 2000	247	3.18	387122	0.98
2001 - 3000	88	1.13	228993	0.58
3001 - 4000	48	0.62	167562	0.42
4001 - 5000	23	0.30	106946	0.27
5001 - 10,000	58	0.75	424612	1.08
10,001 and above	98	1.26	36700577	93.10
Total	7756	100.00	39421559	100.00

(ii) Shareholding Pattern as on March 31, 2015

Category	No. of Shares held	% of Shareholding
Promoters holding		
(a) Individual Promoters	3169433	8.04
(b) Persons acting in Concerts	13701703	34.76
OTHERS		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	2034160	5.15
Foreign Institutional Investors (FIIs)	-	-
Private Corporate Bodies	16072538	40.77
Indian Public	3151992	8.00
NRI's / OCBs	217839	0.55
Trust	10481	0.03
Clearing Members	1063413	2.70
Total	39421559	100.00



Corporate Governance Report (Contd.)

Dematerialization of shares and liquidity

Shares of the Company are traded in electronic form. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialization form only, by all investors from December 2000. About 99.40% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.

Office and works

Registered Office

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)
Ph.: +91 1482 305000, Fax: +91 1482 304120
E-mail: secretarial@sangamgroup.com
website: www.sangamgroup.com

Plant Location

Spinning

Unit - I :

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

Unit - II :

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

Weaving, Processing and Seamless

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,
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai -400 072
E-mail: investor@bigshareonline.com
Tel No's. : 022-40430295, Fax No. 022-28475207

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 305000, Fax: +91 1482 304120
email : secretarial@sangamgroup.com
website: www.sangamgroup.com

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause II (E) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2015.

Place: Bhilwara
Date: May 02, 2015

(S. N. Modani)

Managing Director & CEO
(DIN 00401498)

Auditors' Report On Corporate Governance

To
The Members of

Sangam (India) Limited

We have examined the compliance of conditions of corporate governance by Sangam (India) Limited, for year ended 31 March 2015 as stipulated in clause 49 of the listing Agreement of the said company with stock exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per records maintained by the Stakeholders Relationship Committee. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **R. Kabra & Co.**
Chartered Accountants
Registration No.104502W
(R.L. Kabra)
Partner
M. Ship No.016216
Place: Bhilwara
Date: May 02, 2015

For **B.L. Chordia & Co.**
Chartered Accountants
Registration No.000294C
(B.L. Chordia)
Partner
M.Ship No.010882
Place: Bhilwara
Date: May 02, 2015

Financial Sections



Independent Auditor's Report

**To the Members of
M/S. SANGAM (INDIA) LIMITED.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s. SANGAM (INDIA) LIMITED, which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss and Cash Flow Statements for the year then ended 31st March, 2015, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters



specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2) As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.
- ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor and Education and Protection Fund by the Company.

For and on behalf of
R. Kabra & Co.
Chartered Accountants
Registration No.104502W

(**R.L. Kabra**)
Partner
M. Ship No.016216
Camp: Bhilwara
Date: May 02, 2015

For and on behalf of
B.L. Chordia & Co.
Chartered Accountants
Registration No.000294C

(**B.L. Chordia**)
Partner
M.Ship No.010882
Place: Bhilwara
Date: May 02, 2015



Annexure to the Auditor's Report (Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditors' Report of even date to the members of Sangam (India) Limited for the year ended as on March 31, 2015.

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

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b. As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification.
- (ii) a. As per the information and explanation given to us, the inventories (excluding stock, materials and work in progress, which are in transit & stock lying with third parties) have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification of inventory.
- (iii) a. As per the information and explanation given to us, the company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. The number of such parties involved are NIL and the maximum balance during the year is NIL and the closing balance as on year end is NIL.

- b. The receipt of principal amount and interest are on demand basis.
- c. The overdue amount is not more than ₹1 lakh, since the payment is on demand basis & Clause (iii)c is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and for the sales of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the Shareholders/directors and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The Central Government has prescribed maintenance of the cost records U/S 148(1) of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) a. According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom-duty and excise duty, cess and other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding, as at 31st March 2015 for a period of more than 6 months from the date they became due.



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

Disputed Matters with the various forum

Sl. No.	Name of the Statute	Nature of the dues	Amount (₹ In Lacs)		Period to which the amount relates (F.Y.)	Forum where Dispute is pending
			Gross	Net of Deposited		
1	Income Tax Act, 1961	Income Tax	21.00	21.00	2003-04	ITAT, Mumbai
2	Income Tax Act, 1961	Income Tax	8.00	8.00	2011-12	Commissioner of Income Tax (Appeals), Mumbai
3	Rajasthan Stamp Act, 1998	Stamp Duty	108.91	88.91	2006-07	Rajasthan High Court, Jodhpur
4	Rajasthan Value Added Tax, 2003	Value Added Tax	166.59	149.93	2012-13	Tax Board, Ajmer
5	Electricity Act, 2003	Power Factor Incentive	54.28	7.96	2007-08 to 2013-14	Rajasthan High Court, Jodhpur
6	Rajasthan Tax into entry of Goods into Local Area Act, 1999	Entry Tax and Interest	468.18	394.81	2003-04 to 2014-15	Special Leave Petition with Supreme Court
7	Central Excise Act, 1994	Excise Duty	1.80	1.31	2007-08, 2008-09 & 2013-14	Commissioner of Excise (Appeals)
8	Central Excise Act, 1994	Excise Duty	15.80	Nil	2007-08 to 2011-12	CESTAT - Delhi
9	Service Tax	Service Tax	16.25	5.24	2010-11 to 2013-14	Commissioner (Appeal)
10	Service Tax	Service Tax	38.53	3.93	2005-06 to 2011-12	CESTAT - Delhi
11	Electricity Act, 2003	Fixed Charges Recovery	19.57	14.57	2009-10 to 2010-11	Rajasthan High Court, Jodhpur
12	Rajasthan Value Added Tax, 2003	Value Added Tax with RIPS Incentive on Exports	341.10	313.73	2010-11 to 2012-13	C.T.O. Bhilwara
TOTAL			1260.01	1009.39		

- c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses during the year and it has not incurred cash losses in current financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. There are no debenture holders of the company.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

- (xi) According to the information and explanations given to us, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company noticed or reported during the year, nor we have been informed of such case by the management.

For and on behalf of
R. Kabra & Co.
Chartered Accountants
Registration No.104502W

(**R.L. Kabra**)
Partner
M. Ship No.016216
Camp: Bhilwara
Date: May 02, 2015

For and on behalf of
B.L. Chordia & Co.
Chartered Accountants
Registration No.000294C

(**B.L. Chordia**)
Partner
M.Ship No.010882
Place: Bhilwara
Date: May 02, 2015



Balance Sheet

as at 31st March, 2015

(₹ in Lacs)					
Particulars	Note	As at 31st March, 2015		As at 31st March, 2014	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	3,942		3,942	
Reserves and Surplus	2	33,228		29,201	
			37,170		33,143
Non-Current Liabilities					
Long Term Borrowings	3	25,778		27,586	
Deferred Tax Liability (net)	4	4,035		4,496	
			29,813		32,082
Current Liabilities					
Short Term Borrowings	5	27,693		22,178	
Trade Payables	6	7,505		7,070	
Other Current Liabilities	7	14,283		14,297	
Short Term Provisions	8	1,197		943	
			50,678		44,488
TOTAL			1,17,661		1,09,713
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	9	56,220		53,716	
Intangible Assets	9	54		45	
Capital Work-in-Progress	9	295		1,377	
Non-Current Investments	10	585		785	
Long Term Loans and Advances	11	1,451		1,701	
			58,605		57,624
Current Assets					
Inventories	12	26,509		23,373	
Trade Receivables	13	25,171		20,085	
Cash and Bank Balances	14	391		328	
Short Term Loans and Advances	15	5,772		6,268	
Other Current Assets	16	1,213		2,035	
			59,056		52,089
TOTAL			1,17,661		1,09,713
Significant Accounting Policies					
Notes on Financial Statements	1 to 39				

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants
(Registration No. 104502W)

(R.L. Kabra)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: May 02, 2015

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

Chartered Accountants
(Registration No. 000294C)

(B.L. Chordia)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: May 02, 2015

For and on behalf of the Board

(R.P. Soni)

Chairman

(DIN 00401439)

(G.C. Jain)

President

(S.N. Modani)

Managing Director & CEO

(DIN 00401498)

(Anil Jain)

CFO & Company Secretary

(M No.: F-3147)

(V.K. Sodani)

Executive Director

(DIN 00403740)



Statement of Profit & Loss Accounts for the year ended 31st March, 2015

(₹ in Lacs)

Particulars	Note	2014-15	2013-14
INCOME			
Revenue from Operations	17	1,46,866	1,43,261
Other Income	18	1,102	1,310
Total Revenue		1,47,968	1,44,571
EXPENDITURE			
Cost of Materials Consumed	19	83,064	82,727
Purchases of Traded Goods	20	2,470	-
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	(737)	(1,112)
Employee Benefits Expense	22	11,862	10,525
Power & Fuel	23	15,552	13,858
Toll Contract Fee	24	-	5,645
Finance Costs	25	6,722	6,606
Depreciation and Amortisation Expense	26	8,040	7,432
Other Expenses	27	13,744	12,745
Total Expenses		1,40,717	1,38,426
Profit Before Exceptional Item and Tax		7,251	6,145
Exceptional Items			
Provision for Doubtful Debts/ Advances		35	30
Profit Before Tax		7,216	6,115
Tax Expenses			
Current Tax		2,679	2,373
Deferred Tax		(367)	(265)
Tax Expense for Earlier Years		(253)	(43)
Profit for the year		5,157	4,050
Earnings per equity share of face value of ₹10 each			
Basic and Diluted (in ₹)		13.08	10.27
Significant Accounting Policies			
Notes on Financial Statements	1 to 39		

As per report of even date attached

For **R. Kabra & Co.**
Chartered Accountants
(Registration No. 104502W)
(**R.L. Kabra**)
Partner
M.Ship No. 016216
Camp : Bhilwara
Date: May 02,2015

For **B.L. Chordia & Co.**
Chartered Accountants
(Registration No. 000294C)
(**B.L. Chordia**)
Partner
M.Ship No. 010882
Place : Bhilwara
Date: May 02,2015

For and on behalf of the Board

(**R.P. Soni**)
Chairman
(DIN 00401439)
(**G.C. Jain**)
President

(**S.N. Modani**)
Managing Director & CEO
(DIN 00401498)
(**Anil Jain**)
CFO & Company Secretary
(M No.: F-3147)

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



Significant Accounting Policies

1. BASIS OF ACCOUNTING

- The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.
- Accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.

2. FIXED ASSETS

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

3. INTANGIBLE ASSETS

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

4. DEPRECIATION

- Depreciation on Fixed Assets has been provided based on useful lives prescribed in Schedule II of the Companies Act, 2013 on all assets, except in respect of the following assets, where useful life is different than those prescribed in the Schedule II are used as per technical estimate.

Particulars	Useful Life
Plant & Machinery and Electric Installations (for Textile)	9.19 Years
Plant & Machinery and Electric Installations (for Power Generation)	18 Years

b) Intangible Assets

Intangible assets comprise of computer software. These intangible assets are amortised on straight line basis over a period of 5 years useful life, which in management's estimate represents the period during which economic benefits will be derived.

5. REVENUE RECOGNITION

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

6. INVENTORIES

Inventories are valued at lower of cost or net realizable

value, after providing for obsolescence and damages as follows:

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

7. FOREIGN EXCHANGE TRANSACTION/ TRANSLATION

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

8. RESEARCH AND DEVELOPMENT

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

9. RETIREMENT BENEFITS

a) Defined Contribution Plan

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

b) Defined Benefit Plan

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

10. BORROWING COSTS

Borrowing costs relating to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying



Significant Accounting Policies (Contd.)

asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

11. ACCOUNTING FOR TAXES ON INCOME

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

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

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

12. IMPAIRMENT OF ASSETS (AS-28)

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

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

14. EARNING PER SHARE

Basic earning per share is calculated by dividing the

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

15. JOINT VENTURE

The Company's interest in Joint Venture/Jointly controlled operations is no longer there as at the close of the year since the company has divested its investments partly during the year.

16. CASH FLOW STATEMENT

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

17. MISCELLANEOUS EXPENDITURE:

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

18. INVESTMENT:

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

19. SEGMENT REPORTING

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

Till previous year the company has two primary segments i.e. Textile and Toll Plaza but during the current year the company has only one primary segment i.e. Textile since the operation in Toll Plaza has been discontinued during the previous year.

The secondary segments identified are as follows:

- a. Domestic
- b. Overseas

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

20. GOVERNMENT GRANTS

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



Notes on Financial Statements for the year ended 31st March, 2015

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
1	SHARE CAPITAL		
	Authorised Share Capital:		
	6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each fully paid up	6,400	6,400
	1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up	1,850	1,850
		8,250	8,250
	Issued, Subscribed and Paid Up:		
	3,94,21,559 (Previous Year 3,94,21,559) Equity share of ₹ 10 each fully paid up	3,942	3,942
	TOTAL	3,942	3,942

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

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

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Nidhi Mercantiles Ltd.	48,98,833	12.43	48,98,833	12.43
Mentor Capital Ltd. (formerly known as Pacific Corporate Services Ltd.)	77,30,104	19.61	64,14,018	16.27
Sangam Business Credit Ltd.	31,55,793	8.01	31,55,793	8.01
Sangam Fincap Ltd.	22,16,145	5.62	22,16,145	5.62
Hawamahal Finance Pvt. Ltd.	23,35,500	5.92	23,35,500	5.92
TOTAL	2,03,36,375	51.59	1,90,20,289	48.25

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

Particulars	As at 31st March, 2015	As at 31st March, 2014
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	3,94,21,559	3,94,21,559
Add: Shares Issued During the year	-	-
Equity Shares at the end of the year	3,94,21,559	3,94,21,559

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
2	RESERVES & SURPLUS		
	Capital Reserve		
	As per last Balance Sheet	297	297
	Securities Premium Reserve		
	As per last Balance Sheet	5,868	5,868
	Preference Share Capital Redemption Reserve		
	As per last Balance Sheet	1,178	1,178



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
2 RESERVES & SURPLUS (Contd.)		
General Reserve		
As per last Balance Sheet	14,000	11,000
Add: Transferred from Profit & Loss Account	3,000	3,000
Less: Depreciation Impact due to Change in the Method to Useful Life	182	-
Closing Balance	16,818	14,000
Profit & Loss Account		
As per last Balance Sheet	7,858	7,500
Add: Profit for the year	5,157	4,050
Less: Appropriations		
Transferred to General Reserve	3,000	3,000
Proposed Dividend on Equity Shares	788	591
[Dividend per share ₹ 2.00 (Previous Year ₹ 1.50)]		
Tax on Dividend	160	101
Closing Balance	9,067	7,858
TOTAL	33,228	29,201

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
3 LONG TERM BORROWINGS		
Secured		
(a) Term Loans From Banks		
Rupee Loans	25,661	27,465
(b) Vehicle Loans From Banks	117	121
TOTAL	25,778	27,586

3.1 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 immovable properties and first hypothecation of the entire moveable properties of the company, both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created/to be created in favour of other participating institutions and banks. The above Term Loans are further secured by personal guarantee of two directors of the company.

3.2 Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s) and are repayable over the term of the loan ranging from 2 to 7 years.

3.3 Maturity Profile of Secured Term Loans are as set out below:

(₹ in Lacs)

	Maturity Profile			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Term Loans - from banks (Excluding current maturities)	6,417	3,842	4,142	11,260



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
4	DEFERRED TAX LIABILITY (NET)		
A)	Deferred Tax Liability		
	Related to fixed assets	4,441	4,763
	TOTAL (A)	4,441	4,763
B)	Deferred Tax Assets		
	Disallowance u/s 43B of Income Tax Act, 1961	339	211
	Provision for Bad & Doubtful Debts	67	56
	TOTAL (B)	406	267
C)	Deferred Tax Liability (Net) (A-B)	4,035	4,496

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
5	SHORT TERM BORROWINGS		
	Secured		
	Loans Repayable on Demand		
	From Banks (Rupee)	27,693	22,178
	TOTAL	27,693	22,178

- 5.1 Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immovable and movable fixed assets of the company. The above borrowing are further secured by personal guarantee of two directors of the company.

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
6	TRADE PAYABLES		
	Micro, Small & Medium Enterprises (Refer Note No.6.1)	-	-
	Others	7,505	7,070
	TOTAL	7,505	7,070

6.1 Dues to small-scale industrial undertakings and due to micro enterprises and small enterprises:-

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



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
7 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Refer Note No. 3)	8,210	9,423
Interest accrued but not due on borrowings	-	21
Unpaid Dividends #	22	25
Creditors for Capital Expenditure	535	205
Security Deposit	373	292
Advance from Customers	274	336
Liability towards Staff and Workers	872	856
Commission Payable on Sales	806	773
Income Tax Payable (Net)	224	173
Other Payables *	2,967	2,193
TOTAL	14,283	14,297

There is no overdue amount to be credited to investor education & protection fund.

* Includes statutory dues, liabilities for expenses etc.

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
8 SHORT TERM PROVISIONS		
Provisions for Gratuity/ Leave Encashment (Refer Note No. 22.1)	248	251
Proposed Dividend on Equity Share	788	591
Tax on Dividend	161	101
TOTAL	1,197	943



		Gross Block				Depreciation				Net Block	
		As on 01/04/2014	Additions	Deduction	As on 31/03/2015	As on 01/04/2014	For the Year	Adj. /Ded.	Adj. (Opg.) Reserve	As On 31/03/2015	As On 31/03/2014
9	FIXED ASSETS										
(A)	Tangible Assets:										
	Own Assets:										
	Freehold Land	959	41	-	1,000	-	-	-	-	1,000	959
	Factory Building	16,184	1,125	-	17,309	3,912	518	-	-	4,430	12,879
	Office Building	90	1,394	-	1,484	17	7	-	-	24	1,460
	Plant & Machinery	82,449	6,625	378	88,696	47,221	6,527	275	206	53,679	35,017
	Wind Power Machines	2,157	-	-	2,157	1,056	114	-	-	1,170	987
	Electric Installation	6,605	649	54	7,200	3,999	597	51	5	4,550	2,650
	Water Supply Installation	515	1	-	516	102	16	-	-	118	398
	Furniture & Fixture	579	835	15	1,399	290	86	14	5	367	1,032
	Vehicle	904	141	50	995	334	110	27	16	433	562
	Office Equipment	121	11	2	130	50	14	2	32	94	36
	Computer	447	120	14	553	365	39	14	13	403	150
	Sub-Total	1,11,010	10,942	513	1,21,439	57,346	8,028	383	277	65,268	53,664
	Leased Assets:										
	Leasehold Land	60	-	2	58	8	1	-	-	9	49
	Sub-Total	60	-	2	58	8	1	-	-	9	49
	TOTAL (A)	1,11,070	10,942	515	1,21,497	57,354	8,029	383	277	65,277	53,716
	Previous Year	1,08,396	3,245	571	1,11,070	50,116	7,420	182	-	57,354	53,716
(B)	Intangible Assets										
	Computer software	334	20	-	354	289	11	-	-	300	54
	Total (B)	334	20	-	354	289	11	-	-	300	54
	Previous Year	321	13	-	334	277	12	-	-	289	45
	Total (A)+(B)	1,11,404	10,962	515	1,21,851	57,643	8,040	383	277	65,577	53,761
	Total Previous Year	1,08,717	3,258	571	1,11,404	50,393	7,432	182	-	57,643	53,761
	Capital Work In Progress									295	1,377

Note :- 1. ₹ 65 Lacs (Previous Year ₹ 71 Lacs) being Pre Operative expenses included in capital work in progress.

2. The Company's depreciation method has changed to Useful Life method as per the Companies Act 2013 for all the assets other than Plant & Machinery and Electrical Installations.

3. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation. Accordingly the unamortised carrying value is being depreciated over the revised / remaining useful lives. Depreciation related to Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of General Reserve amounting to ₹ 182 Lacs.



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
10 NON-CURRENT INVESTMENTS (Long Term Investments)		
Unquoted Non - Trade Investment		
In Equity Shares - Unquoted, fully paid up		
Equity Shares of ₹ 10/- each fully paid		
Keti Sangam Infrastructure (India) Ltd.	581	781
580600 (Previous Year 780600) at premium of ₹ 90/- per share		
PKSS Infrastructure Pvt. Ltd.	-	-
3900 (Previous Year 3900) at par ₹ 39000 (Previous Year ₹ 39000)		
Kalyan Sangam Infratech Ltd.	4	4
37500 (Previous Year 37500) at par		
Total	585	785

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
11 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Capital Advances	799	981
Security Deposit	645	705
Others*	7	15
Total	1,451	1,701

* Netted for Loans and Advances considered doubtful ₹ 20 Lacs (Previous Year ₹ 20 Lacs)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
12 INVENTORIES		
Raw Materials	9,346	7,332
Stock-in-Process	4,976	3,970
Finished Goods	9,086	9,355
Stores, Spares & Fuel	3,101	2,716
TOTAL	26,509	23,373

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
13 TRADE RECEIVABLES (CURRENT) (Unsecured and Considered Good)		
Over six months	2,157	1,337
Others	23,189	18,894
	25,346	20,231
Less: Provision for Doubtful Debts	175	146
TOTAL	25,171	20,085



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
14	CASH & BANK BALANCES		
	Earmarked Balances #	22	25
	Balance with Banks	277	257
	Cash on Hand	78	19
	Fixed Deposits with banks	14	27
	TOTAL	391	328

Balance with Banks against Unclaimed Dividend

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
15	SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
	Balance with Central Excise Authorities	1,634	1,032
	Advance against Supplies	995	2,230
	Subsidy Receivable	1,266	880
	Excise Rebate Claim Receivable	1,169	709
	Security Deposits	419	953
	Others #	289	464
	TOTAL	5,772	6,268

Includes prepaid expenses and advance to employees etc.

		(₹ in Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
16	OTHER CURRENT ASSETS (Unsecured and Considered Good)		
	Interest Receivable - From Trade Debtors/ Others	24	57
	DEPB, DBK, Sales Tax Incentive Receivable	965	1,612
	Others #	224	366
	TOTAL	1,213	2,035

Includes Insurance Claim receivable ₹ 3 Lacs (Previous Year ₹ 173 Lacs)

		(₹ in Lacs)	
		2015	2014
17	REVENUE FROM OPERATIONS		
	Sale of Products / Income from services	1,50,372	1,46,470
	Less : Excise duty	3,506	3,209
	TOTAL	1,46,866	1,43,261

		(₹ in Lacs)	
		2015	2014
17.1	Particulars of Sale of Products/Services		
	Yarn	86,087	90,534
	Fabrics	56,102	45,590
	Waste	506	605
	Job Charge	4,824	5,199
	Electricity Income	230	232
	Toll Receipts	-	4,097
	SHIS Benefits	84	213
	Traded Goods Fibre	59	-
	Traded Goods Coal	2,480	-
	TOTAL	1,50,372	1,46,470

17.2 During the year, exchange fluctuation gain on export sales included in sales is ₹ 1067 Lac (Previous Year ₹ NIL)



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	2015	2014
18 OTHER INCOME		
Interest		
From Trade Debtors	828	702
From Others	78	338
Other Non-Operating Income		
Miscellaneous Receipts	50	16
Foreign Exchange Fluctuation Gain (Other than considered as finance cost)	123	254
Profit on Sale of Fixed Assets (Net)	23	-
TOTAL	1,102	1,310

	2014 - 15		2013 - 14	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
19 COST OF MATERIALS CONSUMED				
Imported	1,451	1.75	729	0.88
Indigenous	81,613	98.25	81,998	99.12
TOTAL	83,064	100.00	82,727	100.00

(₹ in Lacs)

	2015	2014
19.1 Particulars of Material Consumed		
Man Made Fibre	45,726	47,704
Cotton	19,774	20,137
POY Yarn	4,204	3,678
Yarn	4,772	3,968
Fabrics	2,688	1,974
Dyes & Chemicals	5,879	5,266
Others	21	-
TOTAL	83,064	82,727

(₹ in Lacs)

	2015	2014
20 PURCHASES OF TRADED GOODS		
Traded Goods – Fibre	58	-
Traded Goods – Coal	2,412	-
	2,470	-



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

		(₹ in Lacs)	
		2015	2014
21	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
	Inventories (at close)		
	Finished Goods	9,086	9,355
	Stock-in-Process	4,976	3,970
		14,062	13,325
	Inventories (at commencement)		
	Finished Goods	9,355	8,001
	Stock-in-Process	3,970	4,212
		13,325	12,213
	TOTAL	(737)	(1,112)

		(₹ in Lacs)	
		2015	2014
22	EMPLOYEE BENEFITS EXPENSE		
	Salaries and Wages	10,917	9,664
	Contribution to Provident and Other Funds	764	659
	Staff Welfare Expenses	181	202
	TOTAL	11,862	10,525

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

Defined Benefit Plans

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

		(₹ in Lacs)			
		As at 31st March, 2015		As at 31st March, 2014	
Particulars		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I. Assumptions as at					
Mortality		IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult
Discount Rate		8.00%	8.00%	9.10%	9.10%
Rate of increase in compensation		5.50%	5.50%	6.25%	6.25%
Rate of return (expected) on plan assets		9.25%	9.25%	9.25%	9.25%
Withdrawal rates		Upto Age 30: 3% 31-44: 2% 45 & Above: 1%		Upto Age 30: 3% 31-44: 2% 45 & Above: 1%	
II. Changes in present value of obligations					
PVO at beginning of period		702.82	214.71	606.45	191.74
Interest cost		58.71	17.16	46.88	14.90
Current Service Cost		202.22	168.21	160.35	122.83
Benefits Paid		(115.28)	(52.28)	(48.15)	(13.27)
Actuarial (gain)/ loss on obligation		41.78	(73.41)	(62.71)	(101.50)
PVO at end of period		890.25	274.39	702.82	214.70



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

22. EMPLOYEE BENEFITS EXPENSE (Contd.)

Particulars	(₹ in Lacs)			
	As at 31st March, 2015		As at 31st March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
III. Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	551.76	114.99	449.72	96.06
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Expected Return on Plan Assets	56.00	13.88	44.36	9.34
Contributions	222.39	122.24	107.78	23.17
Benefit Paid	(115.28)	(52.28)	(48.16)	(13.27)
Actuarial gain/ (loss) on plan assets	2.00	0.92	(1.94)	(0.31)
Fair Value of Plan Assets at end of period	716.87	199.75	551.76	114.99
IV. Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	551.76	114.99	449.72	96.06
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Actual Return on Plan Assets	58.00	14.80	42.41	9.03
Contributions	222.39	122.24	107.78	23.17
Benefit Paid	(115.28)	(52.28)	(48.15)	(13.27)
Fair Value of Plan Assets at end of period	716.87	199.75	551.76	114.99
Funded Status	(173.38)	(74.64)	(151.06)	(99.71)
Excess of actual over estimated return on Plan Assets	2.00	0.92	(1.94)	(0.31)
V. Actuarial Gain/ (Loss) Recognized				
Actuarial Gain/ (Loss) for the period (Obligation)	(41.78)	73.41	62.71	101.50
Actuarial Gain/ (Loss) for the period (Plan Assets)	2.00	0.92	(1.94)	(0.31)
Total Gain/ (Loss) for the period	(39.78)	74.33	60.77	101.19
Actuarial Gain/ (Loss) recognized for the period	(39.78)	74.33	60.77	101.19
Unrecognized Actuarial Gain/ (Loss) at end of period	-	-	-	-
VI. Amounts to be recognized in the balance sheet and statement of P&L A/c				
PVO at end of period	890.25	274.39	702.82	214.70
Fair Value of Plan Assets at end of period	716.87	199.75	551.76	114.99
Funded Status	(173.38)	(74.64)	(151.06)	(99.71)
Unrecognized Actuarial Gain/ (Loss)	-	-	-	-
Net Asset/ (Liability) recognized in the balance sheet	(173.38)	(74.64)	(151.06)	(99.71)
VII. Expense recognized in the statement of P&L A/c				
Current Service Cost	202.22	168.21	160.35	122.83
Interest Cost	58.71	17.16	46.88	14.90
Expected Return on Plan Assets	(56.00)	(13.87)	(44.36)	(9.34)
Net Actuarial (Gain)/ Loss recognized for the period	39.78	(74.33)	(60.77)	(101.18)
Expense recognized in the statement of P&L A/c	244.71	97.17	102.10	27.21
VIII. Movements in the Liability recognized in Balance Sheet				
Opening Net Liability	151.06	99.72	156.73	95.69
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Expenses as above	244.71	97.17	102.11	27.20
Contribution Paid	(222.39)	(122.23)	(107.78)	(23.17)
Closing Net Liability	173.38	74.64	151.06	99.72



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

22. EMPLOYEE BENEFITS EXPENSE (Contd.)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
IX. Experience Analysis - Liabilities				
Actuarial (Gain)/ Loss due to change in bases	104.21	29.26	(54.65)	(14.44)
Experience (Gain)/ Loss due to Change in Experience	(62.43)	(102.67)	(8.06)	(87.06)
Total	41.78	(73.41)	(62.71)	101.50
Experience Analysis - Plan Assets				
Experience (Gain)/ Loss due to Change in Plan Assets	(2.00)	(0.92)	1.94	0.31
X. Schedule III Details				
Current Liability	173.38	74.64	151.06	99.72
Non-Current Liability	716.87	199.75	551.76	114.99

		(₹ in Lacs)	
		2015	2014
23 POWER & FUEL			
Power & Fuel		15,552	13,858
TOTAL		15,552	13,858

		(₹ in Lacs)	
		2015	2014
24 TOLL CONTRACT FEE			
Toll Contract Fee		-	5,645
TOTAL		-	5,645

		(₹ in Lacs)	
		2015	2014
25 FINANCE COSTS			
Interest Expenses		6,328	6,253
Bank Charges		400	352
Applicable loss on foreign currency transactions and translation (Net)		(6)	1
TOTAL		6,722	6,606

		(₹ in Lacs)	
		2015	2014
26 DEPRECIATION AND AMORTISATION EXPENSE			
Depreciation and Amortisation		8,040	7,432
TOTAL		8,040	7,432

		(₹ in Lacs)	
		2015	2014
27 OTHER EXPENSES			
A. Manufacturing Expenses			
Stores & Spares Consumed		2,899	3,059
Packing Material Consumed		1,841	1,602
Processing and Other Job Charges		1,784	1,289



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	2015	2014
27 OTHER EXPENSES		
Repairs To: Plant & Machinery	335	389
Building	146	95
Others	39	36
Other Manufacturing Expenses	977	875
Total (A)	8,021	7,345
B. Administrative Expenses		
Rent	42	33
Rates & Taxes	26	47
Payments to Auditors : Statutory Audit Fees	10	9
Certification & Other Services	7	17
Out of Pocket Expenses	2	2
Cost Audit Fees	1	1
Insurance Premium	113	155
Directors' Travelling	40	35
Travelling & Conveyance	216	217
Telephone & Postage	92	82
Directors' Remuneration	194	153
Printing & Stationery	52	45
Legal & Professional Fees	145	117
Vehicle Running & Maintenance	413	440
Director's Sitting Fees	9	8
Charity and Donations	11	14
Miscellaneous Expenses	192	173
Total (B)	1,565	1,548
C. Selling and Distribution Expenses		
Sales Incentive, Commission & Brokerage	1,421	1,238
Rebates & Claims	91	71
Freight, Octroi and Other Selling Expenses	2,646	2,515
Total (C)	4,158	3,824
D. Other Expenses		
Loss on Sale of Fixed Assets (Net)	-	28
Total (D)	-	28
Total (A+B+C+D)	13,744	12,745

(₹ in Lacs)

	2015		2014	
	₹ in Lacs	% of Consumption	₹ in Lacs	% of Consumption
27.1 Value of Stores & Spares Consumed				
Imported	355	12.25	410	13.40
Indigenous	2,544	87.75	2,649	86.60
TOTAL	2,899	100.00	3,059	100.00



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

27. OTHER EXPENSES (Contd.)

	2015	2014
(₹ in Lacs)		
27.2 Value of Imports On Cif Basis In Respect of		
Raw Materials	1,420	615
Stores & Spares	439	394
Capital Goods	3,236	544
TOTAL	5,095	1,553

	2015	2014
(₹ in Lacs)		
27.3 Expenditure In Foreign Currency		
Travelling Expenses	38	45
Other Expenses	515	634
TOTAL	553	679

	2015	2014
(₹ in Lacs)		
28 EARNINGS PER SHARE (EPS)		
i) Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lacs)	5,157	4,050
ii) Weighted Average number of equity shares used as denominator for calculating EPS	3,94,21,559	3,94,21,559
iii) Basic and Diluted Earning per share (₹)	13.08	10.27
iv) Face Value per equity share (₹)	10	10

	2015	2014
(₹ in Lacs)		
29 EARNINGS IN FOREIGN EXCHANGE		
FOB value of exports	32,472	33,774
	32,472	33,774

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

i) Primary/ secondary segments:

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



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

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

Segment composition:

The Company operates mainly in the Textile segment The Company is also having Wind Power Plant and some miscellaneous activities operation of which is not a reportable segment as per AS-17 issued by the ICAI. During the previous year there was toll collection activity which includes in Turnover & Earning before tax and interest:-

	(₹ in Lacs)	
	Toll Plaza	
	2014-15	2013-14
Revenue		
External Sales	-	4,097
Total Revenue	-	4,097
Result		
Segment Result (Before Interest & Tax)	-	(1852)
Other Information		
Segment Assets	-	1,052
Segment Liabilities	-	(31)
Capital Employed	-	1,083
Capital Expenditure incurred during the year	-	6
Depreciation (included in segment expenses)	-	4

30.1 Toll Plaza segment of the Company comprises of collection of user fees by the Company in accordance with the contracts entered into by the Company with the National Highways Authority of India.

30.2 There have been disputes on the various tolls for which company is contingently liable for ₹464 Lacs (Previous Year ₹ 464 Lacs)

ii) Secondary Segment

	(₹ in Lacs)	
	2014-15	2013-14
Revenue		
Domestic	1,17,345	1,12,236
Export	33,027	34,234
TOTAL	1,50,372	1,46,470

31. INTEREST IN JOINT VENTURE COMPANY

There is no Joint Venture Investments / Jointly controlled operations as on 31.03.2015 However the Company had the following interest in its Joint Venture Companies as on 31.03.2014:

Keti Sangam Infrastructure (India) Ltd. (Country of Incorporation: India)

The Company had 7,80,600 equity shares of ₹ 10 each at premium of ₹ 90 per equity share [26.02% equity as on 31.03.14] in the Joint Venture Company M/s. Keti Sangam Infrastructure (India) Ltd. for execution of BOT Project at Aurangabad National Highway.



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

31. INTEREST IN JOINT VENTURE COMPANY (Contd.)

The Company's proportionate share (as on 31.03.2014) in the assets, liabilities, income and expenses of its Joint Venture Company Keti Sangam Infrastructure (India) Ltd. was 26.02% of the below total:

	(₹ in Lacs)	
	As at 31st March 2014	
	Audited	
BALANCE SHEET		
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	924	
Reserves and Surplus	2,179	
		3,103
Share application money pending allotment		
Non-Current Liabilities		
Long Term Borrowings	27,693	
Deferred Tax Liability (net)	7	
		27,700
Current Liabilities		
Trade Payables	83	
Other Current Liabilities / Provisions	86	
		169
TOTAL		30,972
ASSETS		
Non-Current Assets		
<i>Fixed Assets</i>		
Tangible Assets	121	
Intangible Assets	23,195	
Long Term Loans & Advances	2,939	
		26,255
Current Assets		
Cash and Bank Balances	1,177	
Short Term Loans and Advances	4	
Investments	3,532	
Other Current Assets	4	
		4,717
TOTAL		30,972



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

31. INTEREST IN JOINT VENTURE COMPANY (Contd.)

	(₹ in Lacs)
STATEMENT OF PROFIT AND LOSS	2014
INCOME	
Revenue from Operations	
Toll Collection	3,868
Other Income	71
Total Revenue	3,939
EXPENDITURE	
Employee Benefit Expenses	154
Finance Costs	3,445
Depreciation and Amortisation Expense	1,316
Other Expenses	288
Total Expenses	5,203
Profit Before Tax	(1,264)
Tax Expenses	1
Profit for the year	(1,263)

The current year figures are not applicable since there are no Joint Venture Investments / Jointly controlled operations held as on 31st March 2015.

32. RELATED PARTY DISCLOSURES

i) Related Party Transactions

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

Enterprises over which Directors and Relatives of such personnel exercise significant influence	
Associate Company	
Sangam Business Credit Ltd.	
Mahalaxmi TMT Pvt. Ltd.	
Raj Rajeshwar Enterprises Pvt. Ltd.	
Nikita Credits Pvt. Ltd.	
Kelvin Merchants Pvt. Ltd.	
Laxmi Management Pvt. Ltd.	
Novelty Tie Up Pvt. Ltd.	
Vinayak Vinimay Pvt. Ltd.	
Key Management Personnel	
Shri R.P. Soni	
Shri S.N. Modani	
Shri V.K. Sodani	
Relative of Key Management Personnel	Relationship
Smt. Radha Devi	Wife of Director Shri R.P. Soni
Ms. Antima Soni	Daughter of Director Shri R.P. Soni
Shri Anurag Soni	Son of Director Shri R.P. Soni
Shri Pranal Modani	Son of Director Shri S.N. Modani
Smt. Mamta Modani	Wife of Director Shri S.N. Modani
Smt. Archana Sodani	Wife of Director Shri V.K. Sodani
Smt. Anjana Thakur	Daughter of Director Shri R.P. Soni
Others	
Shri R.P. Soni HUF	



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

32. RELATED PARTY DISCLOSURES (Contd.)

ii) Transactions during the year with related parties

Nature of Transaction	Salary / Training Exp.		Insurance Premium		Rent		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Key Management Personnel	194	153	7	13	-	-	201	166
Relatives of Key Management Personnel	61	85	5	11	10	10	76	106
Others	-	-	-	-	1	1	1	1
Total	255	238	12	24	11	11	278	273

Nature of Transaction	Loan Given		Interest Received		Loan Taken		Interest Paid	
	2015	2014	2015	2014	2015	2014	2015	2014
Associate Company								
(i) Maximum Balance	-	4900	-	294	3510	-	91	-
(ii) Closing Balance	-	-	-	-	-	-	-	-

Sale of Goods / Interest Received	(₹ in Lacs)	
	2015	2014
Associate Company	662	1187

Purchase/Job Charges	(₹ in Lacs)	
	2015	2014
Associate Company	86	257

Purchase of Capital Goods	(₹ in Lacs)	
	2015	2014
Associate Company	85	17



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

(₹ in Lacs)

	As at 31st March, 2015	As at 31st March, 2014
33 CONTINGENT LIABILITIES AND COMMITMENTS		
I. Contingent Liabilities		
A. Disputed liabilities not acknowledged as debts		
Demand for income tax	29	21
B. Guarantees		
Outstanding Bank Guarantees	1,369	2,002
C. Other Money for which the company is contingently liable		
(i) Liability in respect of bills discounted with Banks (including third party bills discounting)	-	37
(ii) Stamp Duty case with respect to the merger of SPBL & Sangam (India) Limited pending with Rajasthan High Court, Jodhpur.	109	109
(iii) Sales Tax case pending with Tax Board, Ajmer and Dy. Comm. Appeal. The Demand raised for input tax credit not reversed properly.	167	72
(iv) AVVNL case (Power Factor matter) pending with Rajasthan High Court, Jodhpur. Company has provided fully.	-	-
(v) Various cases pending with Central Excise & Service Tax (Nett of amount fully provided)	11	15
(vi) Case pending with Rajasthan High Court, Jodhpur under Electricity Act, 2003	20	20
(vii) Entry Tax case pending with Rajasthan High Court, Jodhpur. Entry Tax Levied by State Govt. which is challenged by us due to this Law is against the Constitution, However company has provided the demand amount fully. The Company is contingently liable to the Interest and Penalty, the amount for which is currently uncertain.	-	-
(viii) Disputes on the various tolls for which company is contingently liable	464	464
(ix) Sales Tax case pending with CTO, Bhilwara. The demand raised for VAT with RIPS Incentive on export.	341	-
II. Commitments		
A. Estimated amount of contracts (Net of advances) remaining to be executed on capital account and not provided for	6,212	6,342

B. Obligations

In respect of capital goods imported at the concessional rate of duty under the Export Promotion Capital Goods Scheme, the company has an export obligation of approximately ₹ NIL (Previous Year ₹ 1021 Lacs), which is required to be met at different dates, before 31.03.2020. In the event of non-fulfillment of the export obligation, the company will be liable to pay custom duties and penalties, as applicable.



Notes on Financial Statements for the year ended 31st March, 2015 (Contd.)

34. DETAIL OF PRE OPERATIVE EXPENSES CAPITALIZED / DEFERRED FOR CAPITALISATION UNDER THE HEAD CAPITAL WORK IN PROGRESS

Particulars	(₹ in Lacs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Opening Balance	71	7
Financial Charges	170	92
Administrative Expenses	105	-
Total amount	346	99
Less: Exp. Apportioned to fixed assets	281	28
Balance yet to be allocated	65	71

35. FINANCIAL AND DERIVATIVE INSTRUMENTS

Financial and Derivative Instruments (For Hedging Currency Risks) and Unhedged Foreign Currency Exposure.

a. Forward contract outstanding as at Balance Sheet Date.

Particulars	Currency	2015	2014	Purpose
Forward Exchange Contract	USD	\$ 224.46 Lacs	\$ 112.52 Lacs	Export
Forward Exchange Contract	Euro	€ 19.45 Lacs	€ 18.76 Lacs	Export
TOTAL	INR	₹ 16,069.00 Lacs	₹ 8,868.00 Lacs	

There is no derivative contract for option which is outstanding as at 31.03.2015.

b. Unhedged Foreign Currency Exposure:-

Purpose	Currency	2015	2014
Import (Raw Materials)	USD	\$ 3.58 Lacs	\$ 0.84 Lacs
Import (Stores & Spares)	Euro	€ 3.15 Lacs	€ 0.09 Lacs
TOTAL	INR	₹ 436.00 Lacs	₹ 58.00 Lacs

36. Though the company has been supporting various charity projects however in view of recent guidelines for expenditure on CSR activities, the Board of Directors of the company has appointed CSR committee which is exploring best avenues within the allowable expenditure on CSR and pending same, the company though has not spend any amount during the year, however it has decided to carry CSR activities during the next financial year onwards.
37. In the opinion of Management, there is no impairment of assets in accordance with accounting standard (AS-28) as on Balance sheet date.
38. The Company has been entitled for capital subsidy on the amount of Investment in Plant & Machinery, i.e. 10% of the basic price of Machinery. The amount of Capital subsidy deducted from Gross Value of Plant & Machinery is ₹ 229 Lacs (Previous Year ₹ NIL Lacs).
39. The Balance Sheet of the Company has been prepared as per Schedule III of the Companies Act 2013. The figures of the previous period have been re-grouped / re-arranged and / or recast wherever found necessary.

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(**R.L. Kabra**)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: May 02,2015

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

Chartered Accountants

(Registration No. 000294C)

(**B.L. Chordia**)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: May 02,2015

For and on behalf of the Board

(**R.P. Soni**)

Chairman

(DIN 00401439)

(**G.C. Jain**)

President

(**S.N. Modani**)

Managing Director & CEO

(DIN 00401498)

(**Anil Jain**)

CFO & Company Secretary

(M No.: F-3147)

(**V.K. Sodani**)

Executive Director

(DIN 00403740)



Cash Flow Statement

For the Year ended 31st March, 2015

(₹ in Lacs)

	2015	2014
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	7,216	6,115
Adjustments for		
Depreciation and Amortisation Expense	8,040	7,432
Finance Costs	6,722	6,606
Interest Income	(907)	(1,040)
Provision for Doubtful Debts & Advances	35	30
Profit on Sale of Fixed Assets (Net)	(23)	28
Operating Profit before working capital changes	21,083	19,171
Adjustment for		
Inventories	(3,136)	(2,018)
Trade & Other Receivables	(3,553)	606
Trade & Other Payables	1,634	570
Cash Generated from Operations	16,028	18,329
Taxes Paid	2,426	2,069
Net Cash Inflow/(Out Flow) from Operating Activities	13,602	16,260
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,878)	(3,794)
Sale of Fixed Assets	155	361
Interest Income	78	338
Sale of Investment	200	-
Net Cash Inflow/(Outflow) from Investing Activities	(9,445)	(3,095)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	(3,021)	(7,414)
Increased/Decreased in Short- Term Borrowings	5,515	221
Finance Costs	(6,722)	(6,606)
Interest Income	829	702
Dividend Paid (including Tax on Dividend)	(695)	(557)
Net Cash Inflow/(Out Flow) from Financing Activities	(4,094)	(13,654)
Net Increase/(Decrease) in Cash & Cash Equivalents	63	(489)
Cash and Cash Equivalents at the beginning	328	817
Cash and Cash Equivalents at the end	391	328

As per report of even date attached

For **R. Kabra & Co.**

Chartered Accountants

(Registration No. 104502W)

(**R.L. Kabra**)

Partner

M.Ship No. 016216

Camp : Bhilwara

Date: May 02,2015

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

Chartered Accountants

(Registration No. 000294C)

(**B.L. Chordia**)

Partner

M.Ship No. 010882

Place : Bhilwara

Date: May 02,2015

For and on behalf of the Board

(**R.P. Soni**)

Chairman

(DIN 00401439)

(**G.C. Jain**)

President

(**S.N. Modani**)

Managing Director & CEO

(DIN 00401498)

(**Anil Jain**)

CFO & Company Secretary

(M No.: F-3147)

(**V.K. Sodani**)

Executive Director

(DIN 00403740)



Notice To The Members

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF THE MEMBERS OF "SANGAM (INDIA) LIMITED" WILL BE HELD ON WEDNESDAY, THE 30TH SEPTEMBER, 2015 AT 4.00 P.M., AT "SANGAM HOUSE", ATUN, CHITTORGARH ROAD, BHILWARA-311001 (RAJASTHAN) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend for the financial year 2014-15.
3. To appoint a Director in place of Shri S.N. Modani (Holding DIN 00401498), who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint M/s R.Kabra & Company, Chartered Accountants (Registration No. 104502W) and M/s B.L.Chordia & Company Chartered Accountants (Registration No. 000294C), the retiring Auditors of the Company, as Joint Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Seema Srivastava (Holding DIN: 07142986), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th March, 2015, in terms of Section 161(1) of the Act and Article 85 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th March, 2020.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modification(s) or re-enactment thereof), and subject to applicability of Cost Audit on

the Company in terms of the Companies (Cost Records and Audit) Rules, 2014, the following Firms of Cost Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending 31st March, 2016, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting:

- a. M/s K.G.Goyal & Co., Cost Accountant (Firm Registration No.000017), Jaipur, to conduct the audit of the cost records of Company's units (i) SANGAM (INDIA), Bhilwara (ii) Sangam Spinners, Vill. Billiya Kalan, Dist. Bhilwara (unit of- Sangam (India) Ltd.) (iii) Sangam Spinners, Vill. Sareri, Dist. Bhilwara (unit of- Sangam (India) Ltd.) (iv) Sangam Suitings, Vill. Atun, Dist. Bhilwara (unit of- Sangam (India) Ltd.) (v) Sangam Denim, Vill. Billiya, Dist. Bhilwara (unit of- Sangam (India) Ltd.)
- b. M/s V.K.Goyal & Co., Cost Accountant (Firm Registration No. 100233), Bhilwara to conduct the audit of the cost records of Company's unit Sangam Process (Unit of Sangam (India) Ltd.), Outside Octroi Post, Atun, Bhilwara.

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

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri R.P.Soni (Holding DIN No.00401439) as wholetime Director designated as Chairman of the Company for a period of 3 (Three) years with effect from 1st September, 2015 at the remuneration and on such other terms and conditions as are set out in the Explanatory Statement of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri R.P.Soni which shall be in accordance with the provisions of the Companies Act, 2013 and the prescribed rules made thereunder (including any statutory modifications(s) or re-enactment



thereof), for the time being in force.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay Shri R.P.Soni remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

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

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

"RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999, and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules, & regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include a duly authorized committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to the Board of Directors of the Company to permit Foreign Institutional Investors (the "FII") registered with the SEBI to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts or Foreign Portfolio Investors (FPIs) by whatever name called, to make investment in any manner in the equity shares of the Company upto an aggregate limit of 49% (Forty Nine Percent) of the paid-up equity share capital of the Company, provided, 2 however, that the shareholding of each FII/FPI in its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or re-enactment thereof for the time being in force);

FURTHER RESOLVED that the Board of Directors (which shall include any Committee which the Board may constitute, or any Director/Officer authorised by

the Board for this purpose) be and it is hereby authorised to settle all matters arising out of and incidental to the above mentioned increase in FII/FPI limits and further take all actions as it may, in its absolute discretion, deem necessary to give effect to this Resolution."

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at this Meeting.
3. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item No. 5 to 8 of the Notice set out above, is annexed hereto.
4. The company's Register of members and share transfer books shall remain closed from Thursday the 24th September, 2015 to Wednesday the 30th September, 2015 (both days inclusive) to decide the entitlement of shareholders for the payment of dividend in accordance with the recommendation of the Board of Directors.
5. All documents referred to in the accompanying notice are open for inspection at the registered office of the company in all working days except Saturday and holidays, between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
6. Dividend of Rs. 2.00/- per share has been recommended by the Board of Directors for the year ended 31st March, 2015 and subject to approval of members at this Annual General Meeting, is proposed to be paid within seven days of Annual General Meeting.
7. Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid postal delays and loss in transit.

Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.



Notice (Contd.)

8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government. The Company had, accordingly, transferred 6,95,353/- being the unpaid and unclaimed dividend amount pertaining to the financial year 2006-07, on 2nd December, 2014 to the IEPF of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the members ascertain status of the unclaimed amount and overcome the problems due to misplacement of intimation thereof by post, etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends on the website of the IEPF, viz. www.iepf.gov.in.

9. Members desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of the shares held by them in the company, can make the nomination in Form 2B.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. Electronic copy of the Annual Report for the financial year 2014-15 is being sent to all the members, whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2014-15 is being sent in the permitted mode.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc., from the company electronically.
14. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website www.sangamgroup.com for their download.

15. Re-appointment of Director:

Shri S.N.Modani, Managing Director of the Company

(Holding DIN 00401498), retires by rotation at the ensuing 29th Annual General Meeting and being eligible, offers himself for re-appointment.

Shri S.N. Modani (born 1963) is a B.Sc. (Chem.) MBA and Post-graduate Diploma in Cement Technology. Shri Modani joined the Company in the year 1989 and gathered rich experience of the Company's business for last 26 Years both in India and overseas.

Shri Modani is also the Director of M/s Vriti Infrastructure Pvt Ltd as on 31st March, 2015. He is presently member of CSR Committee the Board of the Company. Shri Modani held 99779 shares in the Company as on date.

16. Voting Options

(1) Voting through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:

(i) Open email and open PDF file viz; "Sangam (India) Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.

(vii) Select "EVEN" of Sangam (India) Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than



individuals, HUF, NRI etc.) are required to send scanned copy (PDF /JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sangamscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company / Depository Participant(s)] or requesting physical copy:

(i) Initial password is provided at the bottom of the Attendance Slip for the AGM:

EVEN (E-voting Event Number) USER ID
PASSWORD/PIN.

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

(2) Voting at AGM:

The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangements of ballot papers in this regards at the AGM Venue.

OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password /PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 23rd September, 2015, are entitled to vote on the Resolutions set forth in this Notice.
- V. The remote e-voting period will commence at 9.00 a.m. on Saturday, 26th September, 2015 and will end at 5.00 p.m. on Tuesday, 29th September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd

September, 2015 may obtain the login ID and password by sending an email to secretarial@sangamgroup.com or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com

- VIII. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Mr. S.P.Jethlia, Practicing Company Secretary of M/s S.P.Jethlia & Company has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- XI. The Scrutiniser shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- XII. The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

By Order of the Board of Directors

(ANIL JAIN)

CFO & Company Secretary

M. No. : F-3147

Date: August 04, 2015

Place: Bhilwara

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

Item No. 5

The Board of Directors on 30th March, 2015, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Seema Srivastava as an Additional Director under Section 161(1) of the Companies Act, 2013 and Article 85 of the Articles of Association of the Company and as an Independent Non-executive Director of the Company for five consecutive years under Section 149 of the Companies Act, 2013 with effect from 30th March, 2015. The Company has received a notice from a member proposing Ms. Seema Srivastava as a candidate for the office of Director of the



Notice (Contd.)

Company, copy of which is available on the website of the Company www.sangamgroup.com.

Ms. Seema Srivastava, aged 48 years, is a Non-Executive Independent Director of the Company, she joined the Board of Directors of the Company in March, 2015. She is Executive Director on the Board of India ITME Society from Sept, 2009.

Ms. Srivastava is Masters in Economics and international trade, Post Graduate in Global Strategic Management and having Certificate Course- CBI Seminar Intfair XVII Training program in Rotteram for promoting exports to overseas countries sponsored by Ministry of Economic affairs, Netherlands.

Ms. Srivastava has occupied various offices and Associations including World Trade Center, Mumbai as an Asst. Director, Taipei World Trade Center as Senior Trade Promotion Specialist, Institute of Aquatics training YMCA, "Kentucky" USA (Collaborative Project for Youth Development) as Aquatics Coordinator and also lead the NIIT and was looking after the Marketing and Administration. She was also the Executive Global Alliance of Wellingkar Management Institute, Global Alliance division, for educational programs with Temple University, USA and Northumbria, U.K. & Student Exchange Program Sweden.

Ms. Srivastava also the Graduate Member of All India Management Association (Delhi), Visiting faculty at the Institute of Business Studies and Research for "International Trade and Economics". (2005 - 2007), Visiting faculty at Dr. D.Y. Patil Business Management College for " Global Sourcing ". (2007 – 2010), member of steering committee, Western India Section of Textile Institute , Manchester, UK and Member, Advisory Board, (Center For Textile Functions) CTF, NMIMS, Shirpur.

Ms. Srivastava got the many awards like Merit award for outstanding performance in marketing and brand promotion while working with NIIT (National Institute for Information Technology), Top evaluation and grades during staff training at SEED (SEED is an in-house training division of NIIT), Felicitated by American YMCA, Louisville Kentucky, for outstanding contribution towards their International project for youth development in Asian Country and Won the Sr. Edberga rolling trophy for Best Student Award in extra curricular activities, Providence Convent College, Kerala.

Presently Ms. Seema Srivastava is not a Director in any other Company. Ms. Srivastava does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Ms. Srivastava has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Ms. Srivastava fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors Rules, 2014 and Clause 49 of the Listing Agreement for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Ms. Srivastava as an Independent Director is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The same is also available on the website of the Company www.sangamgroup.com.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Srivastava as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Srivastava as an Independent Director for five consecutive years for a term upto 30th September, 2020, for the approval by the shareholders of the Company.

Except Ms. Srivastava, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s K.G. Goyal & Co, Cost Accountants, Jaipur (Firm Registration No. 000017) and M/s V.K. Goyal & Co., Cost Accountants, Bhilwara (Firm Registration No. 100233), as Cost Auditors of the Company to conduct the audit of cost records of the Company's various units respectively as mentioned in the resolution set out at Item No. 12 of the Notice, for the financial year 2014-15, at a fee of Rs. 80,000/- to M/s K.G. Goyal & Co and Rs. 30,000/- to M/s V.K. Goyal & Co. subject to TDS, Service Tax etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the financial year 2014-15, subject to the applicability of Cost Audit on the Company in terms of rules framed in this regard by the Ministry of Corporate Affairs.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors have to be ratified by the shareholders of the Company.

Hence, the Members' approval is being sought by way of Ordinary Resolution.

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

Item No. 7

Shri R.P.Soni was appointed as a Director of the Company on 31st December, 1984. From the date of his appointment, Shri R.P. Soni rendered multifarious services and guidance to the Company on a continuous basis, to the tangible advantage of the Company. The Company has attributes its business performance and growth to the leadership, efforts and contribution provided by the Non-Executive Chairman, on a sustained and continuous basis.

The Board of Directors of the company has resolved in its meeting held on 4th August, 2015 to appoint Shri R.P.Soni as wholtime director designated as Chairman of the company for a period of three years effective from 1st September, 2015 on the terms and conditions which are set out in the draft agreement. By the proposed resolution, approval of the shareholders is sought to the appointment/ remuneration of Shri R.P. Soni as a wholtime director designated as Chairman of the company.



Brief resume of Shri Soni, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, which is forming part of the Notice, as under:

Shri Soni born on 26th January 1946, is a B.Sc., Diploma in Civil Engineering and has extensive working experience of about 31 years in Textile Industry. He was Junior Engineer in Irrigation Department in 1964 for 13 years.

He is also Managing Trustee of Smt. Kesar Bai Soni Charitable Trust, which runs a 100 bedded facility Hospital namely Smt. Kesarbai Soni Hospital. Shri Badri Lal Soni Charitable Trust, established with a view to provide Technical and Management education to the youths of the Region and is running an University, namely, Sangam University.

Shri Soni also associated with Engineers Association, Bhilwara, Shree Aditya Vikram Birla Memorial Vyapaar Sahyog Kendra, Chennai, P.H.D. Chamber of Commerce and Industries, Confederation of Indian Textile Industry, New Delhi, Synthetic Weaving Mills Association, Mewar Chamber of Commerce & Industries, Rajasthan Chamber of Commerce and Industries, Indian Agro Industries Foundation, Pune and FICCI, New Delhi.

Shri Soni was also the President, Rajasthan Pradeshik Maheshwari Sabha, President, Harni Mahadev Vikas Samiti, Bhilwara, Vice President, Patron, Manav Seva Sansthan, Bhilwara, Member (WC) Akhil Bhartiya Maheshwari Seva Sadan, Pushkar, Trustee, Shri Krishna Das Jajoo Smarak Trust, Kolkata, Founder Member & Trustee, Shri Aditya Vikram Birla Memorial Vyapar Sahayog Kendra, Chennai, Trustee, Giriraj Dharan Maheshwari Seva Trust, Vrindavan, President, Akhil Bharat Varshiya Maheshwari Maha Sabha, Senior Vice President (National), All India Vaish Federation, New Delhi, Director, Advisory Board Pacific College, Udaipur, Affiliated to MLS University, Udaipur, Director, Advisory Board Pacific Institute of Management, Udaipur Affiliated to MLS University, Udaipur & Approved by AICTE, New Delhi, Member, Governing Body, MLV Textile & Engineering College, Bhilwara (Nominated by Government of Rajasthan) and many more.

During 31 years of tenure of Shri Soni at Sangam India, he has served as Project Head, Plant Head and Business Head, under his leadership the company has grown leaps and bounds. Shri Soni would be responsible for the overall business operations and affairs of the Company.

Shri Soni is the Chairman of CSR Committee and Stakeholders' Relationship Committee and the Members of Nomination & Remuneration Committee and Audit Committee of the Board of Directors of the Company.

Shri Soni holds 453950 equity shares in the Company. The Details of the Directorship and/or Membership/Chairmanship of Committees of the Board of Shri R.P.Soni (except Private Companies) as on 31st March, 2015 are as follows:

Sr. No.	Name of the Company	Name of Committee (excluding Company)	Position Held
1	Sangam Capital Services Ltd.	Nil	NA
2	Sangam Infotech.com Ltd.	Nil	NA
3	Sangam E-Com Ltd.	Nil	NA
4	Sangam Infratech Ltd.	Nil	NA
5	Keti Sangam Infrastructure (India) Ltd.	Nil	NA
6	Kalyan Sangam Infratech Ltd	Nil	NA
7	Sapatrishi Commercial Company Ltd.	Nil	NA

In view of the substantial time and effort required to be spent by the Chairman in the affairs relating to the Company, the Board of Directors upon recommendation of Nomination and Remuneration Committee of the Board and vetted by the audit committee of the Board at their meeting held on 04th August, 2015 have appointed Shri R.P. Soni as "wholetime director designated as Chairman" of the Company. The said appointment shall be valid for a period of 3 (Three) years with effect from 1st September, 2015, subject to the approval of the shareholders.

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

Basic Salary

₹10,00,000/- per month w.e.f. 01.09.2015 which shall be increased every year on 1st October by ₹1,00,000/- per month. The first increase in the above salary will be on 01.09.2016.

Commission

1% commission on the net profit of the company, computed in the manner laid down in the Companies Act, 2013.

Perquisite

- Suitable residential accommodation, free of cost with all facilities, amenities and services (including gas, electricity, water and furnishing). In case he does not opt for company provided accommodation at any time, he shall be paid house rent allowance of a sum not exceeding 30% of his basic salary. The expenditure incurred by the company on gas, electricity, water and furnishings provided to him shall be evaluated as per the Income-tax Rules, 1962.
- Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization.
- Personal accident insurance premium not to exceed ₹ 10,000/- per annum.
- Servant allowance not exceeding ₹60,000/- per annum.
- Club fees payable subject to a maximum of two clubs except entrance and life membership fees.



Notice (Contd.)

- f. Encashment of leave at the end of his tenure as per policy of the Company.
- g. Contribution to provided fund, superannuation fund or annuity fund and any other retirement benefits as per policy of the Company.
- h. Gratuity payable should not exceed half month's salary of each completed year of the service.
- i. Leave travel concession for self and family once in a year any where. The total cost to the company shall not exceed one month's salary per year or three month's salary in a period of three years.
- j. Free use of the Company's car alongwith the driver, personal use of car shall be billed by the Company
- k. Apart from the remuneration as aforesaid, Shri R.P.Soni, Chairman shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- l. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Shri R.P.Soni.

NOTES

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

Minimum Remuneration

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

Shri R.P.Soni, satisfies all the conditions as set out in Part I of Schedule V referred to in Section 196 of the Companies Act, 2013 for being eligible to be appointed as a wholetime director (designated as "Chairman") of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges is set out in the Annexure to the Explanatory Statement.

In the opinion of the Board of Directors, the appointment of Shri R.P. Soni as wholetime director designated as Chairman is in the best interest of the Company and accordingly, your Directors recommend the Resolution set out in Item No. 7 for approval of the Members.

The foregoing may be treated as an abstract of the draft agreement for the appointment of Shri R.P. Soni as a wholetime director designated as Chairman as required under Section 190 of the Companies Act, 2013.

Save and except Shri R.P.Soni and his relatives, none of the other Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the proposed Resolution set out at Item no. 7 of this Notice.

Item No. 8

As on 30th June, 2015, holding of FIIs in the Company is approximately 0.76% of paid up capital. To make adequate space for the Foreign Institutional Investors (FIIs) to invest in the equity of the Company, it is proposed to permit enhancement of the FII shareholding in the Company from 24% to 49% of the paid-up equity share capital of the Company.

In terms of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the FIIs / SEBI approved sub-accounts of FIIs or Foreign Portfolio Investors (FPIs) can, in aggregate, hold upto 24% of paid-up capital of the Company. As per the Regulations, the limit of 24% may be increased upto the sectoral cap/ statutory ceiling, as applicable, by the Company concerned, by passing a Resolution by its Board of Directors, followed by passing of a Special Resolution to that effect by the Members.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item no. 10 of the Notice for increase in the limit of shareholding by registered Foreign Institutional Investors (FIIs) from 24% to 49% of the paid up capital of the Company.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

By Order of the Board of Directors
(ANIL JAIN)

CFO & Company Secretary

M. No. : F-3147

Date: August 04, 2015

Place: Bhilwara



Value through values

Sangam (India) Limited**(CIN:L17118RJ1984PLC003173)****Registered Office:** Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan)

Ph.: +91 1482 305000, Fax: +91 1482 304120, email : secretarial@sangamgroup.com, website: www.sangamgroup.com

ATTENDANCE SLIP

Name of Shareholder(s)			
Address			
E-mail ID			
Folio No./Client ID		DP ID	

I hereby record my presence at the 29th Annual General Meeting of the Company held on Wednesday, the 30th September, 2015 at 4:00 PM. at "Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan).

.....
Signature of Shareholder/Proxy's

NOTE: Please bring this Attendance Slip to the Meeting and Hand Over at The Entrance Duly Filled in.

ELECTRONIC VOTING PARTICULARS		
Electronic Voting Event Number (EVEN)	User Id	Password

NOTE: Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.



Value through values

Sangam (India) Limited**(CIN:L17118RJ1984PLC003173)****Registered Office:** Atun, Chittorgarh Road, Bhilwara - 311 001 (Rajasthan)

Ph.: +91 1482 305000, Fax: +91 1482 304120, email : secretarial@sangamgroup.com, website: www.sangamgroup.com

PROXY FORM



Name of Shareholder(s)			
Address			
E-mail ID			
Folio No./Client ID		DP ID	

I / We being the member(s) of shares of the above named Company hereby appoint:

- Name..... Address.....
E-mail Id..... Signature or failing him.....
- Name..... Address.....
E-mail Id..... Signature or failing him.....
- Name..... Address.....
E-mail Id..... Signature or failing him.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held at "Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan) on Wednesday, the 30th September, 2015 at 4:00 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	* Optional	
Ordinary Business		For	Against
1	Adoption of Financial Statements for the year ended 31st March, 2015		
2	Approval of dividend for the financial year 2014-15		
3	Re-appointment of Shri S.N. Modani, who retires by rotation		
4	Appointment of statutory auditors and fixing their remuneration		
Special Business			
5	Appointment of Ms. Seema Srivastava as an Independent Director		
6	Approval of the remuneration of cost Auditors		
7	Appointment of Shri R.P. Soni as Wholetime Director		
8	Enhancement of investment limit of FIIs in the Company		

NOTE:

- This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 29th Annual General Meeting.
- It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

Corporate INFORMATION

BOARD OF DIRECTORS

R. P. Soni	<i>Chairman</i>
S. N. Modani	<i>Managing Director & CEO</i>
V. K. Sodani	<i>Executive Director</i>
A. Karati	<i>Director</i>
Ramawatar Jaju	<i>Director</i>
T. K. Mukhopadhyay	<i>Director</i>
Seema Srivastava	<i>Additional Director</i>

MANAGEMENT TEAM

Anurag Soni	<i>Chief Business Strategist</i>
Pranal Modani	<i>Chief Business Development</i>
Anil Jain	<i>CFO & Company Secretary</i>
J. P. Agarwal	<i>President</i>
S. K. Pandey	<i>President</i> <i>(Works - Spinning Unit-II)</i>
Anil Sharma	<i>President (Works - Processing)</i>
Sanjeev Joshi	<i>President</i> <i>(Domestic Marketing - Fabric)</i>
L. L. Soni	<i>Jt. President</i> <i>(Finance & Investor Relations)</i>
K. M. Rathi	<i>Jt. President (Commercial)</i>
S. K. Baghela	<i>Executive Vice President</i> <i>(Technical - Spinning Unit-I)</i>
Sunil Rathi	<i>Executive Vice President (Denim)</i>
P. R. Khator	<i>Executive Vice President</i> <i>(Commercial)</i>
Lalit Jain	<i>Executive Vice President (Accounts)</i>
M. Bhanu Pratap	<i>Sr. Vice President (TPP)</i>
Ravi Taparia	<i>Sr. Vice President</i> <i>(Export Marketing - Yarn)</i>
Bhim Singh Kushwah	<i>Sr. Vice President</i> <i>(Personnel & Administration)</i>

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

Atun, Chittorgarh Road, Bhilwara - 311001, Rajasthan
Tel No.: 01482-305000, Fax: 01482-304120
e-mail: secretarial@sangamgroup.com

PRINCIPAL & HEAD OFFICE

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

Plant locations

Spinning Unit-I

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

Spinning Unit-II

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

Weaving, Processing & 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

Sangam (India) Limited

www.sangamgroup.com



If undelivered, please return to:
Sangam (India) Limited
Post Box No. 90, Atun, Chittorgarh Road,
Bhilwara - 311001, Rajasthan, India