Notes

on Standalone Financial Statements for the year ended 31st March, 2019

1. GENERAL INFORMATION:

Sangam (India) Limited ("the Company"), is a public limited company domiciled in India and was incorporated on 29.12.1984 under the provisions of the Companies Act, 1956 (now replaced by Companies Act 2013) as applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India.

The registered office of the Company is located at Atun, Chittorgarh Road, Bhilwara – 311 001, Rajasthan, India.

The Company is principally engaged in the business of manufacturing and selling of Synthetic Blended, Cotton & Texturised yarn, Fabrics, Denim Fabrics and readymade seamless garment.

The Company has manufacturing facilities at Atun, Biliya Kalan & Sareri in district Bhilwara and Soniyana in district Chittorgarh in Rajasthan and caters both the domestic and export markets.

The Company is having 5MW Wind Power Generation facility at Jaisalmer, Rajasthan.

1.1 BASIS OF PREPARATION:

A. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors as per its meeting held on 28th May 2019.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs, except as stated otherwise.

C. Basis of measurement

The financial statements have been prepared under the historical cost convention on accrual basis. The following items are measured on each reporting date as under:

Items	Measurement Basis
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance or operating lease
- Leases: whether an arrangement contains a lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included below:

- Estimation of current and deferred tax expense and asset/ liability.
- Estimated useful life of property, plant and equipment.
- Estimation of defined benefit obligation.
- Measurement and likelihood of occurrence of provisions and contingencies.
- Impairment of trade receivables.

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E. Measurement of fair values

Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the controller.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized in a fair value hierarchy based on the inputs used in the valuation techniques as under:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted price included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realised within twelve months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is due to be settled within twelve months after the reporting date; or

d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

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B. Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognised at their cash values. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy.

For transition to Ind AS, the company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.

Freehold land is not depreciated.

An item of Property, plant and equipment is derecognized when it is estimated that Company will not receive future economic benefits from its use or upon its disposal. Any gains and losses on disposal of such item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

C. Depreciation and amortisation:

Depreciation method, estimated useful lives and residual values are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of Property, Plant & Equipment is aligned to the useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation in the following case:

Assets	Useful Life estimated by the management (Based on Technical Evaluation)
Plant and Equipment and Electrical Installations:	
(i)For Textiles	9.19 years
(ii)For Power Generation	18 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the Property, Plant and Equipment are likely to be used.

Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

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The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

D. Intangible assets

Intangible assets that are acquired by the company, that have finite useful lives, are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures related to an item of intangible assets are added to its carrying amount when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Any gains and losses on disposal of such intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

Finite life intangible assets are amortised on a straight line basis over the period of their expected useful lives.

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life Amortisation method used
Computer software	Finite (5 years)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

E. Research and development expenditure on new products:

(i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.

(ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale;

B. The company has intention to complete the intangible asset and use or sell it;

C. The company has ability to use or sell the intangible asset;

D. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;

E. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

F. The company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "intangible assets under development".

F. Impairment of assets

As at the end of each accounting year, the company reviews the carrying amounts of its PPE, investment property, intangible assets and investments in subsidiary company to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. The intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) In the case of an individual asset, at the higher of the net selling price and the value in use; and

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(ii) In the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset.

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

G. Financial Instruments

i. Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised at fair value on initial recognition.

Financial assets are subsequently classified as measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on:

- Financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost has impaired and provisions are made for impairment accordingly. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers

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reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

ii. Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

iii. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

H. Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method (EIR), finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, which are attributable to the acquisition, construction or production of a qualifying asset are capitalized / inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

I. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

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Current tax

Current tax comprises the expected tax payable or receivable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- Temporary differences related to investment in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets- unrecognized or recognized, are reviewed at each reporting date and are recognized /reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

J. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolesces and damages as under:

(i)	Raw and packing materials, stores and spares including fuel	At Cost on FIFO/ weighted Averages basis
(ii)	Stock in process	At Cost plus appropriate related production overheads
(iii)	Stock in trade and Finished Goods	At Cost, plus appropriate production overheads

Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

K. Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

L. Foreign currency translation

(i) The functional currency and presentation currency of the company is Indian Rupee.

(ii) Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date.

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At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise except for:

A. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

B. exchange differences on transactions entered into in order to hedge certain foreign currency risks.

M. Employee benefits

i. Defined benefit obligations

(a) Post-employment benefits (Gratuity):

The liability recognised in balance sheet in respect of gratuity (unfunded) is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using projected unit credit method.

Remeasurement actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement if changes in equity and in the balance sheet.

(b) Other employee benefits:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method.

ii. Defined contribution plan:

Company pays contributions to provident fund, employee pension scheme and employee state insurance as per statutes/ amounts as advised by the Authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plan and the contributions are recognised as employee benefit expense when they are due.

iii. Short-term benefits:

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of reporting period in which the employees rendered the related services are recognised in respect of employee's service up to the end of reporting period and are measured at the amount expected to be paid when the liabilities are settled. These liabilities are presented as current employee benefit obligations in the balance sheet.

N. Provision and contingent liabilities

The Company sets up a provision when there is a present legal or constructive obligation as a result of a past event and it will probably requires an outflow of resources to settle the obligation and a reliable estimate can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or where reliable estimate of the obligation

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cannot be made. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

O. Contingent Assets

Contingent Assets are not recognised in the financial statements. However, these are disclosed in the Director's report.

P. Revenue recognition

(i) Revenue from operations

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the company is entitled in exchange for those goods or services.

A. Sale of goods

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

B. Rendering of services

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

C. Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(ii) Other income

A. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

B. Dividend income is accounted in the period in which the right to receive the same is established.

C. Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably

Q. Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

R. Government grants

Grants from government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss account over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

S. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which

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discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM').

The Company's Board has identified the CODM who is responsible for financial decision making and assessing performance. The Company has a single operating segment as the operating results of the Company are reviewed on an overall basis by the CODM.

T. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the company has substantially all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

U. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

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3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March, 2018	Additions	Deletions	As at 31st March, 2019	As at 31st March, 2018	Additions	Deletions	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Tangible Assets										
Freehold land	1,265	-	-	1,265	-	-	-	-	1,265	1,265
Building	20,287	439	-	20,726	1,314	766	-	2,080	18,646	18,973
Plant and Machinery	54,632	1,795	99	56,328	11,647	6,258	2	17,903	38,425	42,985
Wind Power Machines	874	-	-	874	228	114	-	342	532	646
Electric Installation	4,444	456	1	4,899	1,019	505	-	1,524	3,375	3,425
Water Supply Installation	529	30	-	559	37	22	-	59	500	492
Furniture and Fixtures	1,297	40	1	1,336	258	135	-	393	943	1,039
Vehicles	1,031	218	37	1,212	263	148	12	399	813	768
Office Equipments	58	10	-	68	24	10	-	34	34	34
Computers	268	54	-	322	100	67	-	167	155	168
Assets under Finance Lease										
Leasehold Land	50	-	-	50	2	1	-	3	47	48
Total	**84,735**	**3,042**	**138**	**87,639**	**14,892**	**8,026**	**14**	**22,904**	**64,735**	**69,843**
Previous Year	72,606	12,328	199	84,735	7,230	7,689	27	14,892	69,843	65,376
Capital Work-in-Progress									1,014	877

4. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March, 2018	Additions	Deletions	As at 31st March, 2019	As at 31st March, 2018	Additions	Deletions	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Intangible Assets										
Software IT (ERP)	125	4	-	129	32	22	-	54	75	93
Total	**125**	**4**	**-**	**129**	**32**	**22**	**-**	**54**	**75**	**93**
Previous Year	80	45	-	125	16	16	-	32	93	64
Intangible Assets under Development									168	64

Break up of Pre - Operative Expenses capitalised / deferred for capitalisation under Capital Work in Progress:

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Opening Balance	27	70
Financial Charges	58	246
Direct Costs Attributable to Project	-	56
Total Amount	**85**	**372**
Less: Expenses apportioned to fixed assets	54	345
Balance yet to be allocated	**31**	**27**

Note 1:- Borrowing cost capitalized refer Note No. 30

Note 2:- Property, Plant and Equipment given as security for borrowings refer Note No. 17

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

5. INVESTMENTS-NON CURRENT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unquoted Non - Trade Investments In Equity Instrument (Measured at Cost) Unquoted, fully paid up		
Investment in wholly owned Subsidiary Company		
Equity Shares of ₹ 10/- each fully paid up		
Sangam Life Style Ventures Ltd. 50000 (Previous Year 50000)	5	5
Investment - Others		
Equity Shares of ₹ 10/- each fully paid up		
Keti Sangam Infrastructure (India) Ltd. 580600 (Previous Year 580600)	581	581
PKSS Infrastructure Pvt. Ltd. 3900 (Previous Year 3900) ₹ 0.39 Lakh (Previous Year ₹ 0.39 Lakh)	-	-
Kalyan Sangam Infratech Ltd. 37500 (Previous Year 37500)	4	4
Equity Shares of ₹ 20/- each fully paid		
AP Mahesh Co-Operative Bank Ltd. 50 (Previous Year 50) ₹ 0.01 Lakh (Previous Year ₹ 0.01 Lakh)	-	-
Aggregate Amount of unquoted investments	**590**	**590**

6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposits	1,020	648
TOTAL	**1,020**	**648**

7. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Advances - Others	724	696
Other Loans & Advances	20	20
Less : Allowance for Loans & Advances	(20)	(20)
Prepaid Expenses	113	71
TOTAL	**837**	**767**

7.1 for all the transaction with related party Refer Note No. 37

8. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials	10,636	9,379
Stock-in-Process	6,411	6,118
Finished Goods	15,468	17,414
Traded Goods	81	24
Stores, Spares & Fuel	2,809	2,723
TOTAL	**35,405**	**35,658**

8.1 For basis of valuation of inventories Refer Note No. 2 J

8.2 Inventories as above are hypothecated to secured short term borrowings (Refer Note No. 19.1)

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade Receivables considered good - Unsecured	36,443	32,611
Trade Receivables - Credit Impaired	267	297
	36,710	**32,908**
Less: Provision for Trade Receivables	267	297
TOTAL	**36,443**	**32,611**

9.1 Included in the above Receivables amount due from wholly owned subsidiary company	1,888	1,107
9.2 Above Trade Receivables are net off bills discounted with an aggregate carrying amount of	165	1730
9.3 Above Trade Receivables are hypothecated to secured short term borrowings (Refer Note No. 19.1)		

10. CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance with Banks	31	55
Cash on Hand	7	7
TOTAL	**38**	**62**

11. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked Balances with banks for Unclaimed & Unpaid Dividends	24	25
Fixed Deposits with banks against Margin Money*	5	79
TOTAL	**29**	**104**

* These term deposits are placed as a security in favour of bank guarantees issued to various government authorities.

12. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Considered Good)		
Security Deposits	267	296
Recoverable from NHAI UP Towards Arbitration Award (Refer Note No. 35)	1,367	1,367
Export Incentive Receivable	464	523
Export Growth Entitlement Receivables	408	408
GST Refund Receivable	775	1,322
Subsidy Receivable	1,192	1,367
Electricity Duty Receivable	14	-
IGST / TED (EPCG) Receivable	1	315
Advance to Employees	58	49
Interest Receivable	184	140
Accrued Income	22	33
Insurance Claim Receivable	34	12
TOTAL	**4,786**	**5,832**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

13. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income Tax Refund Receivable	835	3,035
TOTAL	**835**	**3,035**

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Recoverable from Govt. / Others	40	37
Advance against Supplies (Refer Note No. 14.1)	3,336	2,532
GST Balances	4,367	5,236
GST / Excise / VAT Recoverable	142	225
Prepaid Expenses	239	134
TOTAL	**8,124**	**8,164**
14.1 Due from wholly owned subsidiary company	-	2

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised Share Capital:		
6,40,00,000 (Previous Year 6,40,00,000) Equity share of ₹ 10 each	6,400	6,400
1,85,00,000 (Previous Year 1,85,00,000) Non - Cumulative Redeemable Preference Shares of ₹ 10 each	1,850	1,850
TOTAL	**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**

a. Terms and Rights attached to Equity Shares

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Equity Shares as at 31st March, 2018	3,94,21,559	3,94,21,559
Add: Shares Issued During the year	-	-
Equity Shares as at 31st March, 2019	**3,94,21,559**	**3,94,21,559**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

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

(₹ in Lakhs)

Name of the Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Sangam Business Credit Ltd.	59,82,812	15.18	59,82,812	15.18
Nidhi Mercantiles Ltd.	48,98,833	12.43	48,98,833	12.43
Altura Capital Advisors LLP	47,21,092	11.98	-	-
Anurag Soni	27,10,397	6.87	-	-
Hawamahal Finance Pvt. Ltd.	23,35,500	5.92	23,35,500	5.92
Sangam Fincap Ltd.	22,16,145	5.62	22,16,145	5.62
Mentor Capital Ltd.	-	-	42,34,835	10.74

16. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve		
Balance at the beginning of the year	297	297
Addition during the Financial Year	-	-
Balance at the end of the year	**297**	**297**
Securities Premium		
Balance at the beginning of the year	5,868	5,868
Addition during the Financial Year	-	-
Balance at the end of the year	**5,868**	**5,868**
Preference Share Capital Redemption Reserve		
Balance at the beginning of the year	1,178	1,178
Addition during the Financial Year	-	-
Balance at the end of the year	**1,178**	**1,178**
General Reserve		
Balance at the beginning of the year	22,818	22,818
Add: Transferred from Retained Earnings	-	-
Balance at the end of the year	**22,818**	**22,818**
Retained Earnings		
Balance at the beginning of the year	17,402	15,306
Add: Profit for the year	1,561	3,045
Less: Appropriations		
Transferred to General Reserve	-	-
Dividend on Equity Shares	394	788
Tax on Dividend	81	161
Balance at the end of the year	**18,488**	**17,402**
Other Comprehensive Income		
Balance at the beginning of the year	45	(24)
Addition during the year	45	69
Balance at the end of the year	**90**	**45**
TOTAL	**48,739**	**47,608**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

Nature and Purpose of Other Reserves / Other Equity

16.1 Capital Reserve

Capital Reserve created on account of merger/ amalgamation. The balance will be utilized for issue of fully paid bonus shares and as per provisions of the Companies Act,2013.

16.2 Securities Premium

Balance of Security premium consist of premium on issue of share over its face value. The balance will be utilised for issue of fully paid bonus shares , buy-back of its own share as per provisions of the Companies Act, 2013.

16.3 Preference Share Capital Redemption Reserve

Preference Share Capital Redemption Reserve represents the statutory reserves created when the capital is redeemed and the same will be utilised for issue of bonus share as per provisions of the Companies Act, 2013.

16.4 General Reserve

The Company appropriates a portion to General Reserves out of the profits voluntarily to meet future contingencies. The said reserves is available for payment of dividend to the shareholders as per the provisions of the of the Companies Act, 2013.

16.5 Remeasurement of defined benefit plans

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) Actuarial Gains and Losses

(b) The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

16.6 Dividend

The following dividends were declared and paid by the Company during the year.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Dividend for the year ended 31st March 2018 ₹ 1 per share (31st March 2017: ₹ 2 per share)	394	788
Dividend Distribution tax on dividend	81	161
TOTAL	**475**	**949**

17. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Term Loans From Banks		
Rupee Loans	28,269	34,238
Vehicle Loans From Banks	246	187
Vehicle Loans From Others	2	5
TOTAL	**28,517**	**34,430**

17.1 All Term Loans from banks (including current maturities) except vehicle loan are secured by a joint equitable mortgage by deposit of title deeds in respect of all immovable properties and first hypothecation of the entire moveable properties of the company , both present and future (save and except book debts) subject to prior charges created/to be created in favour of bankers for securing working capital borrowing, ranking pari-passu with the charges created / to be created in favour of other participating bankers. The above Term Loans are further secured by personal guarantee of two directors of the company.

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

17.2 Vehicle Loans (including current maturities) are secured by hypothecation of respective vehicle(s)

17.3 There is no default in repayment or interest of any loans on due dates.

A) Floating Rate-Carrying Floating interest rate MCLR + 0.75% to 4.25%

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31st March, 2019			
	Total Outstanding	Long Term Maturity	Current Maturity	Installments due after 31st March, 2019 (Quarterly)
From Banks:				
01st January 2020	287	-	287	4
31st December 2020	3,557	1,499	2,058	7
30th June 2024	5,737	4,537	1,200	21
31st December 2024	960	814	146	23
01st January 2025	5,378	4,692	686	24
31st March 2026	9,600	9,300	300	28
Sub Total (A)	**25,519**	**20,842**	**4,677**	**-**

B) Carrying interest rate (Fixed Rate @ 9.15% to 9.25%.)

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31st March, 2019			
	Total Outstanding	Long Term Maturity	Current Maturity	Installments due after 31st March, 2019 (Quarterly)
From Banks:				
20th March 2021	1,316	640	676	8
20th September 2023	2,550	2,100	450	18
31st December 2023	3,800	3,000	800	19
30th September 2027	1,687	1,687	-	28
Sub Total (B)	**9,353**	**7,427**	**1,926**	**-**
TOTAL (A+B)	**34,872**	**28,269**	**6,603**	**-**

Vehicle Loans from Banks & Financial Institutions

C) Carrying Fixed interest rate 8.46% to 11%

(₹ in Lakhs)

Particulars	Outstanding as on 31st March, 2019			
	Total Outstanding	Long Term Maturity	Current Maturity	Installments due after 31st March, 2019 (Monthly)
From Banks	347	246	101	5 - 59
From Institutions	4	2	2	1 - 21
Sub Total (C)	**351**	**248**	**103**	**-**
GRAND TOTAL (A+B+C)	**35,223**	**28,517**	**6,706**	**-**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

A) Floating Rate-Carrying Floating interest rate MCLR + 0.75% to1.80%

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31st March, 2018			Installments due after 31st March, 2018 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
01st January 2020	575	287	288	8
01st January 2021	6,154	4,076	2,078	12
01st July 2024	7,237	6,037	1,200	26
01st January 2025	7,229	6,372	857	28
31st March 2026	10,350	9,600	750	32
Sub Total (A)	**31,545**	**26,372**	**5,173**	-

B) Carrying interest rate (Floating Rate MCLR +2.10% upto 31.10.17 & Fixed Rate @ 9.15% w.e.f. 01.11.17).

(₹ in Lakhs)

Date of Maturity	Outstanding as on 31st March, 2018			Installments due after 31st March, 2018 (Quarterly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks:				
20th March 2021	1,992	1,316	676	12
20th September 2023	2,850	2,550	300	22
31st March 2024	4,800	4,000	800	24
Sub Total (B)	**9,642**	**7,866**	**1,776**	-
Total Rupee Term Loan (A+B)	**41,187**	**34,238**	**6,949**	-

Vehicle Loans from Banks & Financial Institutions

C) Carrying Fixed interest rate 8.46% to 11%

(₹ in Lakhs)

Particulars	Outstanding as on 31st March, 2018			Installments due after 31st March, 2018 (Monthly)
	Total Outstanding	Long Term Maturity	Current Maturity	
From Banks	309	187	122	1 - 71
From Institutions	13	5	8	12 - 33
Sub Total (C)	**322**	**192**	**130**	-
GRAND TOTAL (A+B+C)	**41,509**	**34,430**	**7,079**	-

18. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Assets		
Accrued expenses allowable on payment basis	620	528
Allowance for Bad & Doubtful Debts	100	111
Sub total (a)	**720**	**639**
Deferred Tax Liabilities		
Related to Property, Plant and Equipment and Intangible Assets	6,645	6,446
Others	-	32
Sub total (b)	**6,645**	**6,478**
Less : MAT Credit Entitlement (c)	1,118	1,443
Deferred Tax Liabilities (Net) (b)-(a)-(c)	**4,807**	**4,396**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

A. Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2018	Recognized in P&L	Recognized in OCI	As at 31st March, 2019
(a) Deferred Tax Assets				
Accrued expenses allowable on payment basis	528	115	(24)	619
Allowance for Bad & Doubtful Debts	111	(10)	-	101
Sub-Total (a)	**639**	**105**	**(24)**	**720**
(b) Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting	6,446	199	-	6,645
Others	32	(32)	-	-
Sub-Total (b)	**6,478**	**167**	**-**	**6,645**
MAT Credit Entitlement	660	-	-	660
MAT Credit Earlier Year	783	-	-	783
MAT Credit Current Year	-	-	-	(325)
Sub-Total (c)	**1,443**	**-**	**-**	**1,118**
Net Deferred Tax Liability (b)-(a)-(c)	**4,396**	**62**	**24**	**4,807**

(₹ in Lakhs)

Particulars	As at 31st March, 2017	Recognized in P&L	Recognized in OCI	As at 31st March, 2018
(a) Deferred Tax Assets				
Accrued expenses allowable on payment basis	416	149	(37)	528
Allowance for Bad & Doubtful Debts	87	24	-	111
Sub-Total (a)	**503**	**173**	**(37)**	**639**
(b) Deferred Tax Liabilities				
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization for financial reporting	5,601	845	-	6,446
Others	-	32	-	32
Sub-Total (b)	**5,601**	**877**	**-**	**6,478**
MAT Credit Entitlement	660	-	-	660
MAT Credit Current Year	-	-	-	783
Sub-Total (c)	**660**	**-**	**-**	**1,443**
Net Deferred Tax Liability (b)-(a)-(c)	**4,438**	**704**	**37**	**4,396**

B. Amounts recognised in profit or loss

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current tax expense		
Current year	823	306
MAT Credit Entitlement	-	(306)
Earlier Years (Refer Note No. 36)	-	(2,484)
	823	**(2,484)**
Deferred tax expense		
Origination and reversal of temporary differences	62	704
	62	**704**
Total Tax Expense	**885**	**(1,780)**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

C. Amounts recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	Before tax	Tax (Expense) / Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	69	(24)	45	106	(37)	69
TOTAL	**69**	**(24)**	**45**	**106**	**(37)**	**69**

D. The income tax expenses for the year reconciled to the accounting profit as follows :

(₹ in Lakhs)

Particulars	2018-19	2017-18
Profit Before Tax	2,446	1,265
Applicable Tax Rate	34.94%	34.61%
Computed Tax Expense	855	438
Tax effect of :		
Exempted income / Items Considered Separately	(66)	(66)
Expenses Disallowed	411	390
Additional Allowances	(377)	(861)
MAT Credit Entitlement	(325)	(271)
Current Tax Provision (Net of MAT Credit) (A)	**498**	**(370)**
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	62	704
Taxes recognised in Statement of Profit & Loss (B)	**62**	**704**
Net Taxes (A+B)	**560**	**334**
Effective Tax Rate	22.88%	26.40%

19. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Loans Repayable on Demand from Banks		
Rupee Loans	29,184	31,418
Foreign Currency Loans	6,262	5,812
TOTAL (A)	**35,446**	**37,230**
Unsecured		
Loans Repayable on Demand from Others		
Rupee Loans (Refer Note No. 19.4)	61	-
TOTAL (B)	**61**	**-**
TOTAL (A+B)	**35,507**	**37,230**

19.1 Borrowings from Banks for working capital are secured by hypothecation of inventories and charge on book debts both present and future and second charge on all the immoveable and moveable Property, Plant & Equipments of the company. The above borrowing are further secured by personal guarantee of two directors of the company. There is no default in repayment or interest of any loans on due dates.

19.2 Rupee Loans carry floating interest rate from 8.10% to 10.10% per annum, computed monthly.

19.3 Foreign Currency Loans carry floating interest rate LIBOR+1.30 to 2% per annum, computed monthly.

19.4 Unsecured Rupee Loan from others carrying interest rate 11.00% per annum, computed monthly.

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

20. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total outstanding dues of Micro enterprises and Small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and Small enterprises	16,432	15,031
TOTAL	**16,432**	**15,031**

20.1 Dues to Micro, Small & Medium Enterprises:-

The Company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). Since the relevant information is not readily available, necessary disclosure required under MSME Act, 2006 can not be made. However, the company generally makes payment to its suppliers within agreed credit period and thus the management is confident that the liability of interest under this Act, if any, would not be material.

21. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long term debt	6,706	7,079
Interest accrued but not due on borrowings	96	81
Unpaid Dividends #	24	25
Creditors for Capital Expenditure	149	679
Security Deposit	312	338
Liability towards Staff and Workers	1,731	1,604
Commission Payable on Sales	1,670	1,278
Liabilities for Expenses	2,950	2,777
TOTAL	**13,638**	**13,861**

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

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Security Deposit	167	147
Advance from Customers	649	312
Liabilities for Expenses	88	94
Statutory Dues	276	304
TOTAL	**1,180**	**857**

23. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provisions for Employee Benefits	1,337	993
TOTAL	**1,337**	**993**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Sale of Products/ Income from Services	1,87,363	1,64,903
TOTAL	**1,87,363**	**1,64,903**
PARTICULARS OF SALE OF PRODUCTS/SERVICES		
a) Sale of Products		
Finished Goods	1,75,364	1,52,056
Traded Goods	2,941	4,009
TOTAL (a)	**1,78,305**	**1,56,065**
b) Sale of Services		
Job Processing	6,564	6,392
TOTAL (b)	**6,564**	**6,392**
c) Other Operating Revenues		
Sale of Waste	972	920
Export Benefits / Incentives	1,522	1,526
TOTAL (c)	**2,494**	**2,446**
TOTAL (a+b+c)	**1,87,363**	**1,64,903**

25. OTHER INCOME

(₹ in Lakhs)

Particulars	2018-19	2017-18
Interest Income on Financial Assets at amortized cost		
from Customers	545	659
from Others	109	560
Other Non-Operating Income		
Insurance Claim	3	25
Rent	1	1
Net Gain on Foreign Currency Fluctuation	-	968
Profit on Sale of Property, Plant & Equipment (Net)	188	191
Miscellaneous Receipts	55	119
TOTAL	**901**	**2,523**

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	2018-19	2017-18
Raw Material Consumed	97,159	87,315
Consumption of Dyes & Chemical	8,000	6,351
TOTAL	**1,05,159**	**93,666**

27. PURCHASES OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	2018-19	2017-18
Stock in Trade – Yarn	148	1,191
Stock in Trade – Fabric	2,550	2,667
Stock in Trade – Readymade Garment	168	34
TOTAL	**2,866**	**3,892**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	2018-19	2017-18
Inventories at the end of the year		
Finished Goods	15,468	17,413
Work-in-Progress	6,411	6,118
Total	**21,879**	**23,531**
Inventories at the beginning of the year		
Finished Goods	17,413	14,204
Work-in-Progress	6,118	6,252
Total	**23,531**	**20,456**
(INCREASE) / DECREASE IN INVENTORY	**1,652**	**(3075)**

29. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2018-19	2017-18
Salaries and Wages	17,451	16,036
Contribution to Provident and Other Funds	1,221	1,245
Staff Welfare Expenses	93	98
TOTAL	**18,765**	**17,379**

30. FINANCE COSTS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Interest Expenses	6,189	5,658
Other Borrowing Costs	465	449
Loss / (Gain) on foreign currency transactions and translation (Considered as finance cost)	-	175
TOTAL	**6,654**	**6,282**
30.1 Net of Interest Capitalised (Refer Note No. 3)	49	262
30.2 Net of Interest Subsidy (TUF/RIPS)	1,060	1,146

31. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2018-19	2017-18
Depreciation on Tangible Assets	8,026	7,689
Amortisation of Intangible Assets	22	16
TOTAL	**8,048**	**7,705**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

32. OTHER EXPENSES

(₹ in Lakhs)

Particulars		2018-19	2017-18
A. Manufacturing Expenses			
Stores & Spares Consumed		3,303	3,362
Packing Material Consumed		2,094	2,032
Processing and Job Charges		1,793	1,875
Repairs To : Plant & Machinery		479	391
Repairs To : Building		127	78
Repairs To : Others		40	38
Misc. Manufacturing Expenses		2,114	1,580
Sub Total (A)		**9,950**	**9,356**
B. Administrative Expenses			
Rent		155	175
Rates & Taxes		79	51
Payments to Auditors :	Statutory Audit Fees	14	13
	Reimbursement of Expenses	2	2
Cost Audit Fees		2	1
Insurance Premium		144	142
Directors' Travelling		13	18
Travelling & Conveyance		297	289
Telephone & Postage		95	86
Directors' Remuneration		451	386
Printing & Stationery		45	42
Legal & Professional Fees		244	250
Vehicle Running & Maintenance		491	441
Director's Sitting Fees		9	10
Charity and Donations		2	11
Miscellaneous Expenses		206	210
Contribution towards CSR (Refer Note No. 42)		181	137
Sub Total (B)		**2,430**	**2,264**
C. Selling & Distribution Expenses			
Sales Commission & Brokerage		2,134	1,597
Freight, Octroi and Other Selling Expenses		2,773	2,791
Allowance for Doubtful Debts *		55	65
Sub Total (C)		**4,962**	**4,453**
D. Other Expenses			
Loss on Foreign Currency Fluctuation (Net)		577	-
Sub Total (D)		**577**	**-**
TOTAL (A+B+C+D)		**17,919**	**16,073**

*(Bad Debts Written Off ₹ 84 Lakhs (Previous Year NIL) out of Provision for Trade Receivables)

33. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	2018-19	2017-18
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	69	106
Tax relating to remeasurement of defined benefit plans	(24)	(37)
Total other comprehensive income for the period	**45**	**69**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

34. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars		2018-19	2017-18
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders ₹ in Lakhs	1,561	3,045
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 (₹)	3.96	7.72
iv)	Face Value per equity share (₹)	10	10

35 The Company had undertaken a Toll user collection contract with National High Way Authority of India (NHAI) for Ushaka Toll Plaza on N.H. No. 25. Due to Dispute with NHAI the contract was terminated and the matter was referred to arbitration. The Arbitrator had given the award in favour of the company during F.Y. 2015-16 which was disputed by NHAI and filed an appeal against the same with the single bench of Delhi High Court, which referred the matter back for arbitration. The Company has objected to the above decision before the division bench of Delhi High Court and filed an appeal to stay the order. The Delhi High Court has admitted the appeal and stayed the said order.

Based on the legal provisions and the facts, the management is of the opinion that the company would be successful in its claim for recovery of the dispute amount. The other current financial asset includes the above claim amounting to ₹ 1,367/-Lakhs.

36 The Company is entitled for interest subsidy on certain term loans obtained under Technology Upgradation Fund Scheme ("TUFS") of Central Government and Interest subsidy from Rajasthan Govt. under Rajasthan Investment Promotion Policy (RIPS) 2003/2014, which had been considered as revenue income instead of capital receipts by the company while computing the total income upto financial year 2014-15. However based on the judicial decisions the same had been claimed as capital receipt on the assessment / revised returns during the F.Y.2017-18. The effect thereof on tax had been included in earlier years tax adjustments for F.Y. 2018-19 ₹ NIL (Previous Year ₹ 2,194 Lakhs).

With the amendment in the taxation provisions to treat the above income and incentives as revenue items w.e.f. F.Y. 2015-16, the same are accounted for as revenue items since then in compliance with the above amendments.

37. DISCLOSURE OF RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 " RELATED PARTY DISCLOSURES".

(A) Details of Related Parties

1	**Wholly Owned Subsidiary Company**	
	Sangam Lifestyle Ventures Limited	
2	**Key Managerial Personnel (KMP)**	
	Shri R.P. Soni	Chairman
	Shri S.N. Modani	Managing Director & CEO
	Shri V.K. Sodani	Executive Director
	Shri Anil Jain	CFO and Company Secretary
3	**Non Executive Director/ Independent Director**	
	Shri Ramawatar Jaju	
	Shri Achintya Karati	
	Shri T.K. Mukhopadhyay	
	Ms. Seema Srivastava	
4	**Relatives of Key Managerial Personnel (KMP)**	
	Smt. Radha Devi Soni	
	Smt. Mamta Modani	
	Smt. Archana Sodani	
	Smt. Anjana Thakur	
	Smt. Antima Bass	
	Shri Anurag Soni	
	Shri Pranal Modani	

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

5	**Other Related Parties**
	Mahalaxmi TMT Private Limited (Director common)
	Raj Rajeshwar Enterprises Private Limited (Relative of Director is member)
	Shri R.P. Soni HUF (Director is karta)
	M/s Badri Lal Soni Charitable Trust (Director is trustee)
	M/s Kesar Bai Soni Charitable Trust (Director is trustee)
	Sangam Business Credit Limited (Person Acting in Concert)
	Nikita Credits Private Limited (Person Acting in Concert)
	Fashion Funda.Com Private Limited (Person Acting in Concert)

(B) Disclosure of related party transactions:

(₹ in Lakhs)

Sr. No.	Nature of transaction/relationship/major parties	Relationship	2018-19 Amount	2017-18 Amount
1	**Purchase of Goods & Services (including commission paid)**			
	(a) Purchase of Service			
	Raj Rajeshwar Enterprises Private Limited	Other Related Parties	-	12
	(b) Purchase of Goods			
	Raj Rajeshwar Enterprises Private Limited	Other Related Parties	5	-
	(c) Purchase of Capital Goods			
	Mahalaxmi TMT Private Limited	Other Related Parties	-	90
2	**Sale of goods/contract revenue & services**			
	(a) Sale of Goods			
	Raj Rajeshwar Enterprises Private Limited	Other Related Parties	-	237
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	1,371	785
	(b) Sale of Services			
	Raj Rajeshwar Enterprises Private Limited	Other Related Parties	-	4
3	**Rent paid**			
	Smt. Radha Devi Soni	Relatives of Key Managerial Personnel (KMP)	48	48
	Smt. Mamta Modani	Relatives of Key Managerial Personnel (KMP)	4	4
	Sh. Anurag Soni	Relatives of Key Managerial Personnel (KMP)	6	6
	Smt. Antima Bass	Relatives of Key Managerial Personnel (KMP)	11	11
	Sh. R.P.Soni HUF	Other Related Parties	6	6
4	**Rent received**			
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	1	1
5	**Interest received from**			
	Raj Rajeshwar Enterprises Private Limited	Other Related Parties	-	19
6	**Insurance paid for**			
	Key Managerial Personnel			
	Shri S.N. Modani		5	4
	Shri V.K. Sodani		3	3
7	**Compensation paid to key management personnel:**			
	Remuneration			
	(1) Short-term employment benefits / Salary			
	(i) Key Managerial Personnel			
	Shri R.P. Soni		215	196
	Shri S.N. Modani		120	109
	Shri V.K. Sodani		56	47
	Shri Anil Jain		36	32

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(₹ in Lakhs)

Sr. No.	Nature of transaction/relationship/major parties	Relationship	2018-19 Amount	2017-18 Amount
	(ii) Relatives of Key Managerial Personnel			
	Shri Anurag Soni		55	43
	Smt. Antima Bass		11	9
	Shri Pranal Modani		39	29
	(2) Director Sitting Fees			
	Shri Ramawatar Jaju		1	1
	Shri Achintya Karati		4	5
	Shri T.K. Mukhopadhyay		4	3
	Ms. Seema Srivastava		1	1
	(3) Commission			
	Shri R.P. Soni		27	16
	Shri S.N. Modani		27	15
	Shri V.K. Sodani		7	4
8	**Expenditure Incurred in CSR**			
	(i) M/S Badri Lal Soni Charitable Trust	Other Related Parties	105	80
	(ii) M/S Kesar Bai Soni Charitable Trust	Other Related Parties	61	21

(C) Amount due to/from related parties:

(₹ in Lakhs)

Sr. No.	Nature of transaction/relationship/major parties	Relationship	2018-19 Amount	2017-18 Amount
1	**Trade Receivables**			
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	1,888	1,107
2	**Advances Against Supplies**			
	Sangam Lifestyle Ventures Limited	Wholly Owned Subsidiary Company	-	2

38. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

	Particulars	2018-19	2017-18
(I)	**Contingent Liabilities:**		
(a)	**Guarantees:**		
	Outstanding Bank Guarantees (Excluding Financial Guarantees)	338	426
(b)	**Other Money for which the Company is contingently liable:**		
1	Stamp Duty dispute pending with Rajasthan High Court, Jodhpur under Rajasthan Stamp Duty Act, 1998.	109	109
2	Various cases pending with Central Excise under Central Excise Act, 1944 & Service Tax cases under Finance Act,1994 (Net of amount fully provided).	616	940
3	Dispute of Fixed Charges recovery pending with Rajasthan High Court, Jodhpur under Electricity Act, 2003.	20	20
4	Entry Tax dispute for the year 2014-15 & 2015-16 under The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 regarding to interest /penalty.	213	213
5	**Disputed VAT Liabilities under The Rajasthan Value Added Tax Act, 2003 in respect of :**		
5.1	Input Tax Credit	94	94
5.2	VAT with RIPS incentive on exports.	341	341
5.3	Incentive Benefit	35	35
6	Disputes on various tolls for which company is contingently liable.	243	243
(II)	**Commitments:**		
(a)	Estimated amount of contracts (Net of advances) remaining to be executed on capital and not provided for.	2,076	2,460
(b)	In respect of Capital goods imported at the concessional rate of duty under the Export Promotion Capital goods scheme, the company has approximate exports obligations which is required to be met at the different due dates before 31st March, 2025. In the event of non-fulfillment of these export obligation, the company will be liable to pay customs duties and penalties, as applicable.	1,560	2,806

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

39. SEGMENT INFORMATION

Operating Segment

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

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

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

(b) **Revenues**

(₹ in Lakhs)

Particulars	2018-19	2017-18
Domestic	1,37,892	1,20,816
Export	49,471	44,087
TOTAL	**1,87,363**	**1,64,903**

Revenues from external customers attributed to an individual foreign country are not material. The revenue from the foreign countries are attributed from the countries wherein the actual exports are made.

There are no assets in foreign countries held by the Company except the amounts due from the exports.

(c) The company does not have any major single customers / group of external customer having 10% of its revenue.

40. EMPLOYEE BENEFITS

The Company contributes to the following post - employment defined benefit plans in India.

(i) **Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

(₹ in Lakhs)

	For the year ended	
Particulars	31st March, 2019	31st March, 2018
Contribution to government Provident Fund	759	866

(ii) **Defined Benefit Plan:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to the gratuity fund formed by the company.

Company makes contributions to Group Gratuity Schemes administrated by the LIC of India.

Other long term employee benefit plans

Compensated absences

Every employee is entitled to paid leave as per the company's policies. The employees are allowed to avail leave and carry forward a specified number of days, the same is encashable during the service period and at the time of separation from the company or retirement, whichever is earlier.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Net defined benefit (liability) / asset	1,093.28	785.49	244.01	207.35
Non-current	-	-	-	-
Current	1,093.28	785.49	244.01	207.35

B. **Movement in net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in Lakhs)

Particulars	Gratuity (Funded)						Leave Encashment (Funded)					
	31st March, 2019			31st March, 2018			31st March, 2019			31st March, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1st April	1,562.50	777.01	785.49	1,407.47	850.80	556.67	469.57	262.22	207.35	403.96	243.55	160.41
Included in profit or loss												
Current service cost	369.04		369.04	317.95		317.95	272.56		272.56	253.17		253.17
Interest cost (income)	113.21		113.21	98.98		98.98	32.93		32.93	27.20		27.20
	482.25	**-**	**482.25**	**416.93**	**-**	**416.93**	**305.49**	**-**	**305.49**	**280.37**	**-**	**280.37**
Included in OCI												
Remeasurements loss (gain)												
– Actuarial loss (gain) arising from:			-			-			-			-
- demographic assumptions	-		-	-		-			-	-		-
- financial assumptions	5.78		5.78	(40.59)		(40.59)	1.56		1.56	(11.64)		(11.64)
- experience adjustment	(75.75)		(75.75)	(67.23)		(67.23)	(171.45)		(171.45)	(126.46)		(126.46)
– on plan assets		(2.91)	2.91		(1.51)	1.51		(2.23)	2.23		(1.02)	1.02
	(69.97)	**(2.91)**	**(67.06)**	**(107.82)**	**(1.51)**	**(106.31)**	**(169.89)**	**(2.23)**	**(167.66)**	**(138.10)**	**(1.02)**	**(137.08)**
Other												
Contributions paid by the employer		52.42	(52.42)		23.36	(23.36)		81.04	(81.04)		78.17	(78.17)
Benefits paid	(172.84)	(172.84)	-	(154.08)	(154.08)	-	(80.61)	(80.61)	-	(76.66)	(76.66)	-
Expected Return on Plan Assets		54.98	(54.98)		58.44	(58.44)		20.13	(20.13)		18.18	(18.18)
	(172.84)	**(65.44)**	**(107.40)**	**(154.08)**	**(72.28)**	**(81.80)**	**(80.61)**	**20.56**	**(101.17)**	**(76.66)**	**19.69**	**(96.35)**
Balance as at 31 March	1,801.94	708.66	1,093.28	1,562.50	777.01	785.49	524.56	280.55	244.01	469.57	262.22	207.35

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

C. Plan assets

Particulars	31st March, 2019	31st March, 2018
Fund managed by insurer	100%	100%
	100%	100%

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31st March, 2019	31st March, 2018
Discount rate	7.64%	7.67%
Expected rate of future salary increase	5.50%	5.50%
Mortality	100% of IALM (2006 - 08) Ult.	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	Gratuity				Leave Encashment			
	31st March, 2019		31st March, 2018		31st March, 2019		31st March, 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1,625.26	2,014.25	1,404.61	1,752.55	476.77	581.89	424.31	524.06
Expected rate of future salary increase (1% movement)	2,014.44	1,622.39	1,752.76	1,402.02	581.91	476.03	524.08	423.60

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

G. Expected maturity analysis of the undiscounted gratuity benefits is as follows

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Duration of defined benefit payments		
Less than 1 year	121.88	95.63
Between 1-2 years	77.84	68.53
Between 2-5 years	418.19	533.16
Over 5 years	620.07	1,419.20
Total	**1,237.98**	**2,116.52**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.97 years (31st March 2018: 19.19 years)

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

41. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

I. Fair value measurements Hierarchy

(₹ in Lakhs)

Particulars	31st March, 2019				31st March, 2018			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets								
At Amortised Cost								
Investments	590	-	-	-	590	-	-	-
Other Non-Current Financial Assets	1,020	-	-	-	648	-	-	-
Trade Receivables	36,443	-	-	-	32,611	-	-	-
Cash and Cash Equivalents	38	-	-	-	62	-	-	-
Bank Balances other than above	29	-	-	-	104	-	-	-
Other Current Financial Assets	4,786	-	-	-	5,832	-	-	-
	42,906	**-**	**-**	**-**	**39,847**	**-**	**-**	**-**
Financial Liabilities								
At Amortised Cost								
Borrowings	28,517	-	-	-	34,430	-	-	-
Short Term Borrowings	35,507	-	-	-	37,230	-	-	-
Trade Payables	16,432	-	-	-	15,031	-	-	-
Other Current Financial Liabilities	13,790	-	-	-	13,951	-	-	-
At Fair Value through P&L								
Other Current Financial Liabilities	(152)		(152)		(90)		(90)	
	94,094	**-**	**(152)**	**-**	**1,00,552**	**-**	**(90)**	**-**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The gross carrying amount of trade receivables is ₹ 36710 Lakhs (31st March 2018 – ₹ 32908 Lakhs).

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of Loss Allowance Provision – Trade Receivables

(₹ in Lakhs)

Particulars	31st March, 2019	31st March, 2018
Opening Balances	297	232
Impairment Loss Recognised	55	65
Amount written back	85	-
Closing balance	**267**	**297**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flows generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position comprising the undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

(a) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

(₹ in Lakhs)

Particulars	Carrying Amounts	Contractual Cash Flows			
	31st March, 2019	Total	Within 1 Year	1–5 Years	More than 5 Years
Non-derivative financial liabilities					
Borrowings	28,517	28,517	-	26,107	2,410
Short term borrowings	35,507	35,507	35,507	-	-
Trade payables	16,432	16,432	16,432	-	-
Other current financial liabilities	13,638	13,638	13,638	-	-
Total non-derivative liabilities	**94,094**	**94,094**	**65,577**	**26,107**	**2,410**
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

Particulars	Carrying Amounts	Contractual Cash Flows			
	31st March, 2018	Total	Within 1 Year	1–5 Years	More than 5 Years
Non-derivative financial liabilities					
Borrowings	34,430	34,430	-	29,393	5,037
Short term borrowings	37,230	37,230	37,230	-	-
Trade payables	15,031	15,031	15,031	-	-
Other current financial liabilities	13,861	13,861	13,861	-	-
Total non-derivative liabilities	**1,00,552**	**1,00,552**	**66,122**	**29,393**	**5,037**
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**	**-**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv. **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows (Amounts in Lakhs)

(in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	USD	EUR	USD	EUR
Financial Instruments				
Trade receivables	121	-	121	2
Trade payables	(2)	-	-	-
Borrowings	(91)	-	(82)	-
Derivatives - Forward Contracts	(94)	-	(235)	(7)
Net statement of financial position exposure	**(66)**	**-**	**(196)**	**(5)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against all currencies at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(in Lakhs)

Particulars	Profit or loss	
	Strengthening	Weakening
31st March 2019		
USD (1% movement)	(46)	46
EUR (1% movement)	-	-
31st March 2018		
USD (1% movement)	(128)	128
EUR (1% movement)	(4)	4

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in Lakhs)

Particulars	Nominal Amount	
	31st March, 2019	31st March, 2018
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	350	322
	350	**322**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	34,872	41,187
	34,872	**41,187**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
31st March 2019		
Variable-rate instruments	(349)	349
Cash flow sensitivity	**(349)**	**349**
31st March 2018		
Variable-rate instruments	(412)	412
Cash flow sensitivity	**(412)**	**412**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Hedge Accounting

The company's business objective includes safe-guarding its earnings against foreign exchange fluctuations. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value hedges. Hedging instruments include forwards contracts to achieve this objective. The table below shows the position of hedging instruments and hedged items as on the balance sheet date.

Disclosure of effect of Hedge Accounting:

Fair Value Hedge

Hedging Instruments

(₹ in Lakhs)

Particulars	Nominal Value	Carrying Amount	Change in Fair Value	Hedge Maturity	Line Item in Balance Sheet
Foreign Currency Risk					
Forward Contracts	6,712	(152)	(152)	May 2019 to December 2019	Other Current Financial Liabilities

Hedged Items

(₹ in Lakhs)

Particulars	Carrying Amount	Change in Fair Value	Line Item in Balance Sheet
Foreign Currency Risk			
Trade Receivables	8,358	-	Financial Assets - Trade Receivables

42. CORPORATE SOCIAL RESPONSIBILITES (CSR)

(₹ in Lakhs)

Particulars	31st March, 2019	31st March, 2018
a) The Gross amount required to be spent by the company during the year	123	164

b) The Details of the amount spent during the year on CSR activities as follow.

(₹ in Lakhs)

Particulars	Expenditure incurred in Cash As at 31st March, 2019	Expenditure incurred in Cash As at 31st March, 2018
Construction / acquisition of any asset	-	-
On purpose other than (i) above	181	137
TOTAL	**181**	**137**

Notes

On Standalone Financial Statements for the year ended 31st March, 2019 (Contd.)

c) Out of above ₹ 105 Lakhs (Previous Year ₹ 80 Lakhs) has been spent through M/s Badri Lal Soni Charitable Trust and ₹ 61 Lakhs (Previous year ₹ 21 Lakhs) has been spent through M/s Kesar Bai Soni Charitable Trust, which are related parties.

Breakup of the expenditure incurred through the trust during the year is as under.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Environmental Sustainability	28	20
Promoting Education	75	60
Promoting Health Care	45	-
Eradication Hunger, Poverty and Malnutrition	16	21
Promoting Sports	2	-
TOTAL	**166**	**101**

43. STANDARD ISSUED BUT NOT EFFECTIVE

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April, 2019.

(a) Issue of Ind AS 116 - Leases

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17 -Leases. As per Ind AS 116 the lessor will have to bring the books all the non-cancellable portion of leasing arrangements.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 101 - First time adoption of Indian Accounting Standards.
ii. Ind AS 103 – Business Combinations
iii. Ind AS 109 - Financial Instruments .
iv. Ind AS 111 – Joint Arrangements.
v. Ind AS 12 – Income Taxes.
vi. Ind AS 19 – Employee Benefits.
vii. Ind AS 23 – Borrowing Costs.
viii. Ind AS 28 - Investment in Associates and Joint Ventures.

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

44. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

45. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 28th May , 2019

The Board of Directors have recommended a dividend @ 10% on equity share, subject to approval from the shareholders at the ensuing AGM.

As per our Report of even date

For Rajendra & Co.
Chartered Accountants
(Firm Regn. No.108355W)

(Akshay R. Shah)
Partner
Membership No.103316

Camp : Bhilwara
Date: 28th May, 2019

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

(O. P. Dad)
Partner
Membership No. 035373

Place : Bhilwara
Date: 28th May, 2019

For and on the Behalf of the Board

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

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

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

(Anil Jain)
CFO & Company Secretary
(M No.: F-3147)