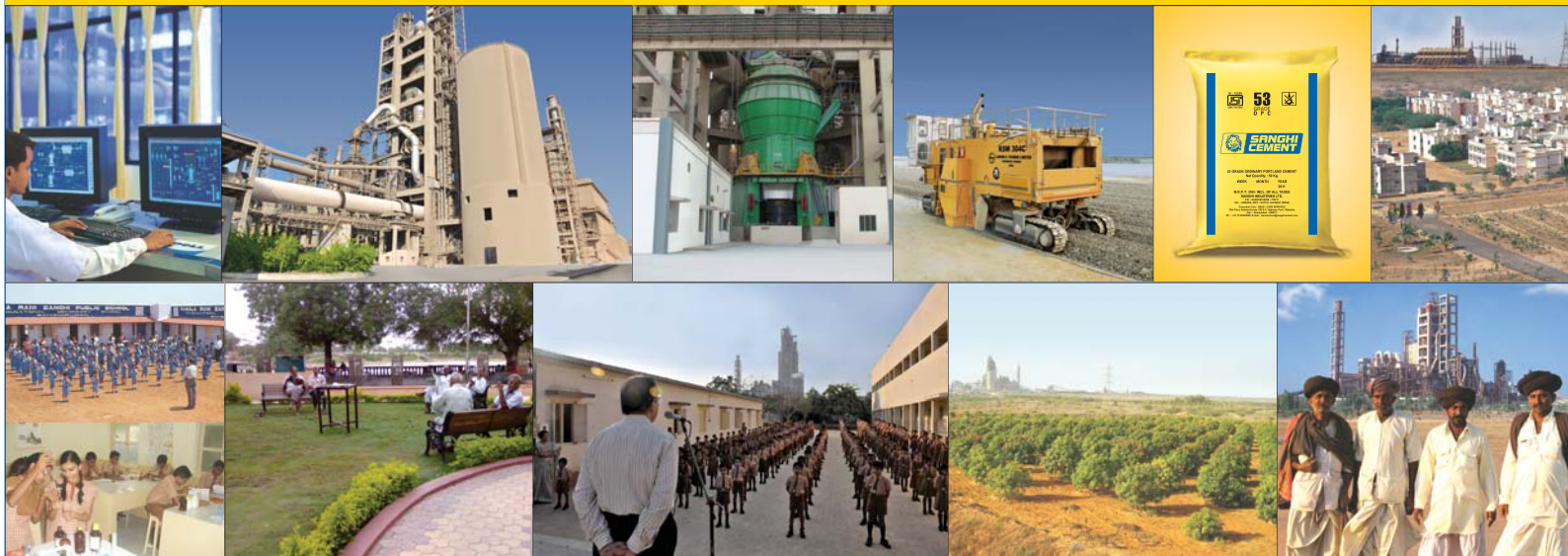


2011

2012



Turning Dreams into Concrete Reality



Sanghi Industries Limited

ANNUAL REPORT 2011-2012

Vision

“To be the business leader, delivering superior value to all our stakeholders”

Mission

“Achieve profitable growth and customer delight through innovation, operational excellence, leadership and teamwork to add value for all stakeholders and society.”

Values (Five Cs)

- Care for all stakeholders
- Continuous learning and growth
- Commitment to excellence
- Corporate Governance based on Trust and Integrity
- Concern for society

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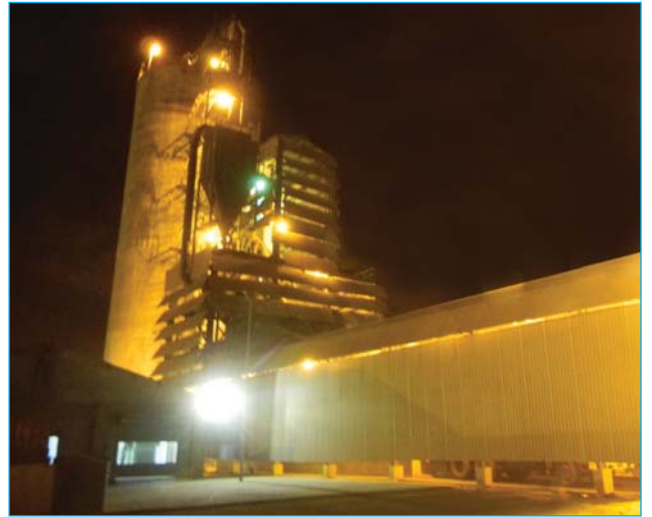
Distribution Channel



Dealer's Tour



State of Art Technology



Corporate Social Responsibility



Board of Directors

Shri Ravi Sanghi	Chairman and Managing Director
Shri Gireesh Sanghi	Director
Shri Aditya Sanghi	Executive Director
Shri Alok Sanghi	Executive Director
Smt. Bina Engineer	Executive Director
Shri N. B. Gohil	Executive Director
Shri C.S.V. Rao	Nominee Director – IDBI
Shri D. K. Kambale	Director
Shri Sadashiv Sawrikar	Director
Shri D.B.N.Rao	Director
Shri R.K.Pandey	Director
Shri T.M.Jagan Mohan	Director

Company Secretary

Shri Anil Agrawal

Joint Statutory Auditors

M/s Ankit & Co.
Chartered Accountants
Hyderabad

M/s Haribhakti & Co.
Chartered Accountants
Ahmedabad

Registered Office

Sanghinagar P.O.
Hayatnagar Mandal, R R District,
Andhra Pradesh - 501 511
Tel Nos. 08415 - 242240
Fax Nos.08415 - 242239

Cement Works

Village Motiber,
Taluka Abdasa, Kutch District,
Sanghipuram - 370 511, Gujarat
Tel Nos. 02831 - 274131/32/33
Fax Nos.02831 - 274115/23

Corporate Office

10th Floor, Kataria Arcade,
Off. S-G Highway,
Post : Makaraba,
District : Ahmedabad – 380 051
Tel Nos. 079 – 2683 8000
Fax Nos.079 - 2683 8111

Mumbai Office

110, B Wing, Krishna Commercial Centre,
6, Udyog Nagar, Near Kamath Club,
S.V.Road, Goregaon (West), Mumbai – 400 062
Tel Nos. 022 – 2871 3120/21
Fax Nos. 022 – 2871 3126

Email : companysecretary@sanghiment.com

Website : www.sanghiment.com

DIRECTORS' REPORT

To
**The Members of
 Sanghi Industries Limited**

Your Directors take pleasure in presenting the 25th Annual Report together with the audited financial statements for the year ended 30th June, 2012.

Financial Results

(₹ in crores)

	2011-2012 (12 Months)	2010-2011 (15 months)
Gross Revenue	1073.99	986.97
Net Income	983.72	908.45
Profit before Interest, Depreciation and Taxation	196.15	158.02
Interest	24.89	97.64
Operating Profit	171.26	60.37
Depreciation and Amortisation	98.06	107.42
Profit/(Loss) Before Tax	73.20	(47.05)
(Add)/Less : Provision for Tax		
a) Current Income Tax	-	-
b) Deferred Tax (net)	(8.68)	(14.40)
c) MAT Credit Entitlement	-	(3.10)
Profit / (Loss) After Tax	81.88	(29.55)
Profit carried to Balance Sheet	524.26	442.39

Management Discussion and Analysis

A report on Management Discussion and Analysis (MDA), which forms part of this Report, inter-alia deals adequately with the operations as also current and future outlook of the Company.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them and pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, your Directors confirm that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- the Directors had selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 30th June, 2012 and of the profit of the Company for the year under review;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the accounts for the period ended 30th June, 2012 on a 'going concern' basis.

Board of Directors

The directors - Smt. Bina Engineer, Shri Gireesh Sanghi and Shri R. K. Pandey - retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, Shri D. B. N. Rao and Shri N. B. Gohil were appointed as Additional Directors of the Company w.e.f. 22nd December, 2011 and hold office up to the date of the ensuing Annual General Meeting. Necessary resolutions have been proposed for their appointment as Directors of the Company.

The Board had, subject to the approval of shareholders in the forthcoming Annual General Meeting, appointed Shri Nirubha Balubha Gohil, as Whole-time Director of the Company for a term of three years effective from December 22, 2011. The Board has fixed and revised his remuneration as per the recommendations of the Remuneration Committee. Your Directors recommend the resolutions for the appointment and payment of remuneration of Shri N. B. Gohil for your approval.

The Board had, subject to the approval of shareholders in the forthcoming Annual General Meeting, re-appointed Shri Aditya Sanghi and Shri Alok Sanghi, as Whole-time Directors of the Company for a term of five years effective from September 6, 2012. The Board has fixed his remuneration as per the recommendations of the Remuneration Committee. Your Directors recommend the resolutions for the appointment and payment of remuneration of Shri Aditya Sanghi and Shri Alok Sanghi for your approval.

The Board had, subject to the approval of shareholders in the forthcoming Annual General Meeting, revised Remuneration of Shri Ravi Sanghi, Chairman and Managing Director and Smt. Bina Engineer, Whole-time Director for their remaining tenure. The Board has fixed their remuneration as per the recommendations of the Remuneration Committee. Your Directors recommend the resolutions for the revision in remuneration of Shri Ravi Sanghi and Smt. Bina Engineer for your approval.

Deposits

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956.

Corporate Governance

The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement executed with the Stock Exchanges. A separate section on the Corporate Governance Practices followed by the Company together with the certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

Listing

The Company's securities are listed with the Stock Exchanges at National Stock Exchange and Bombay Stock Exchange. The Company has paid the listing fees for the year 2012-13 to the Stock Exchanges.

Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report and Abridged Accounts are being sent to all the shareholders of the Company excluding the said information. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary at the Registered Office of the Company.

Auditors

M/s. Ankit & Company, Chartered Accountants, Hyderabad and M/s. Haribhakti & Company, Chartered Accountants, Ahmedabad, the Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has also received confirmation from them to the effect that their appointment, if

made by the Company for the year 2012-13, would be within the limits prescribed under Section 224(I-B) of the Companies Act, 1956. Your Board of Directors recommend their appointment as Joint Statutory Auditors of the Company.

Foreign Exchange Earnings and Outgo

Particulars with regard to Foreign Exchange Earnings and Outgo are set out in Note I, Para II (m) of the Notes on Accounts of Annual Report.

Social Responsibilities

Your Company enjoys the distinction of being one of the first cement companies in India to be awarded SA:8000:2001 i.e. Social Accountability Certificate for its plant for the last three years. Social Accounting is a process of ongoing monitoring, evaluation and accountability which helps an organization to measure its performance against social, environmental and economic objectives and ensures that its working is in accordance with its values.

This certification is a result of the sincere and untiring efforts put in by the management for fulfilling its Corporate Social Responsibility over the last decade for

- ❖ Creating green revolution in the desert of Kutch region by cultivating land for growing trees, fruits, vegetables and flowers.
- ❖ Providing educational facilities through a CBSE affiliated School.
- ❖ Providing hospitals and first aid facilities within few hundred kilometers.
- ❖ Conducting social awareness programmes on various issues.

Environment and Pollution Control

Your plant is certified for Environment Management System ISO:14001:2004. Stringent internal environmental measures are adopted, adhered to and maintained to run the plant operations in an eco-efficient manner.

Some of these measures include :

- ❖ VVFD Drive installed at ESP fan in cement mills and at kiln feed for dedusting bag filter
- ❖ Rain Water Harvesting on large scale with interconnection of all reservoirs with total pipe length of 3.5 km to reduce the water cost substantially
- ❖ Installation of RO Plant to improve water quality and reduce use of desalination process
- ❖ Mix of flyash for PPC grinding, enabling safe disposal of fly ash
- ❖ Plantation of new trees and shrubs to control airborne particles and beautify the premises.
- ❖ Adoption of designing processes and cleaner technologies for minimizing the adverse environmental impact.
- ❖ Optimizing resource efficiency in plant operations to minimize waste while maximizing treatment of inevitable wastes in an environmentally compatible manner.
- ❖ Optimum utilization of resources including mineral, chemical, water, energy and other non-renewable resources.
- ❖ Efforts to improve the green cover and for conservation of bio-diversity and natural environment. Multi-purpose trees including mango grafts are planted and nurtured for tackling the natural adversity of the local environment such as scarcity of water, saline land, shortfall of minerals etc.
- ❖ Adopting sound emergency preparedness and resources programme.
- ❖ Encouraging the recycling of inevitable wastes including from other industrial units.
- ❖ Efficient Surface mining at captive mines and use of flyash in operations for reducing the environmental impact.
- ❖ Collection and treatment of entire sewage generated from various places of the Plant/Colony through Root Zone Technology System (RZTS) for augmenting the supply of water for gardening, plantation and green belt development within the premises.
- ❖ Environmental Audit is being conducted by Det Norske Veritas (DNV) (Authorised Independent Management System Auditors) since the last few years for conforming to and improving the environmental standards adopted at Plant.

- ❖ Efforts to reduce the green house effect on environment are continuously made by adopting the Clean Development Mechanism Cell (CDM).
- ❖ The Company has developed environment friendly and safe mining practices and has received various awards for its mining practices over the years as follows :
- ❖ Noise, Vibration and Aesthetic beauty for Limestone Mines.
- ❖ Overall Best Performance for all Captive Mines.
- ❖ Best Safety Practices in Mines.

Conservation of Energy

The MIS Cell and Energy Steering Committee analyses the energy consumption parameters on daily basis with an intention to reduce the high and ever rising cost of energy in the manufacturing process, as well as to reduce its adverse impact on the environment. The Committee constantly updates itself with the new developments in the field of energy including use of alternative resources and its viability for the use in our Plant.

Apart from implementing the measures which were initiated last year, the following new measures have been implemented during the year.

1. Interlocks installed in Raw Material handling Belts and Pre-Heater to reduce the consumption of electrical and thermal energy.
2. Power saving drives installed to reduce energy consumption in Clinker and Cement Grinding Units as well as Thermal Power Plant.
3. Installation of new CG – VFD and new APH tubes to reduce auxillary power consumption in Captive Power-Plant.
4. Reconstruction of internal roads to reduce fuel consumption of internal vehicle movement.
5. Installation of Web Based Energy Monitoring System at all facilities.

Technology Absorption, Adaptation and Innovation

Your Company adopts value engineering techniques for enhancing productivity and cost effectiveness. All efforts are made to explore the possibility of replacing certain imported parts of machineries with indigenous parts for reducing the cost and level of inventory considering the easy availability on time.

Your Company continues to make conscious efforts to evaluate opportunities for technological innovation, upgradation for improving level of operations resulting into savings in cost and enhanced efficiencies.

Industrial Relations

Industrial relations continued to be cordial throughout the year under review. Your Directors wish to place on record their appreciation for the excellent team work with which the workers and officers of the Company at all levels have contributed individually and collectively to the performance of the Company.

Acknowledgements

Your Directors wish to place on record their sincere appreciation for the excellent assistance and co-operation received from the Governmental authorities, the consortium of banks and financial institutions, customers, vendors and investors for their continued support during the year.

For and on behalf of the Board

Place : Mumbai
Date : 28th August, 2012

Ravi Sanghi
 Chairman & Managing Director

Annexure – I

Disclosure under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Form – A

(See Rule 2)

(A) Conservation of Energy and Technology Absorption – Refer Directors' Report**(B) Power and Fuel Consumption**

Particular	For Year ended 30 th June 2012	For 15 months ended 30 th June 2011
I. Electricity		
(a) Purchased		
Unit (Kwh in lacs)	-	-
Total amount (₹ in Crores)	-	-
Rate/unit (₹)	-	-
(b) Own Generation (net of auxiliary)		
(i) Through Diesel Generators		
Unit (Kwh in lacs)	94.49	423.21
Unit per Ltr. of Furnace Oil / L.D.O./ S.K.O / Diesel	3.31	3.05
Cost/unit (₹)	12.49	9.38
(ii) Through Steam turbine/generation		
Unit (Kwh in lacs)	2246.40	2263.86
Unit per Kg. of Fuel	0.90	1.13
Cost/unit (₹)	3.44	3.20
2. Coal		
(a) Blended Fuel of Lignite and Coal used in Kiln and Calciner		
Quantity (in lac MT)	4.81	5.00
Total cost (₹ In Crores)	198.88	185.37
Average rate per MT (₹)	4131	3706
(b) Blended Fuel of Lignite and Coal used in Steam Turbine/Generator		
Quantity (in lac MT)	2.51	2.00
Total cost (₹ In Crores)	77.19	72.55
Average rate per MT (₹)	3076	3618

Consumption per Unit of Production

	Standard (if any)	For Year ended 30 th June 2012	For 15 months ended 30 th June 2011
Product: Cement	BIS 53 Grade		
Unit: MT		2,113,206	2,323,025
Electricity (Kwh/MT of Cement)		104.33	107.10
Coal (kilo calories per kg)		866	825

MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 30th June 2012. The Management also presents its outlook on the cement industry, in brief, for the future. This outlook is based on current business environment and information available on Indian economic scenario and may vary due to future economic and other developments in India and abroad.

Macro Economics of India

During 2011-12, the global economic growth was constrained due to the sovereign debt crisis in the Euro zone, political turmoil in Middle East, increase in crude oil prices and massive tsunami and nuclear disaster in Japan. The world GDP grew by 3.9%. India's GDP growth rate was 6.5% in 2011-12.

Though agriculture and services industries continued to perform well, India's slowdown was attributed almost entirely to its weak industrial growth. The manufacturing activity was subdued because of tight monetary policy, weak external demand, slow down of capital expenditure and infrastructure spending due to policy bottlenecks.

At the same time, it is also a fact that in any cross-country comparison, India still remains among the front runners in economic growth. India's rise of 4.3% per year in GDP per capita in this period came second only to China, which stood at a high of 9.6%.

India has entered the first year of the Twelfth Five Year Plan (2012-2017), where our country aims at sustainable overall growth. Acknowledging the fact that inadequate infrastructure has been a constraint for the country's growth, the Central and State Governments are taking various measures to accelerate the infrastructure growth. The expected GDP for 2012-13 is about 7 to 7.5%.

Cement Industry

A. Present Scenario and Outlook

Presently, the capacity of the cement industry is around 330 million tonnes p.a. During last 5 years, the 2007-2012 plan period, cement companies added around 150 MT of fresh capacities taking it to 330 MT, ten per cent more than the targeted 300 MT. Most of the new capacities were brown-field expansions. In coming years, the capacity addition is likely to slow down due to bottlenecks in land acquisition, longer time and process for environment clearances and inadequate supply of raw materials like limestone, coal and fly ash, all these resulting in higher project cost.

The industry grew at about 8% in FY12. The growth rate in June 2012 quarter had improved to 9-10%. The price realisations were comparatively better. At the same time, rise in raw material cost, fuel costs and distribution cost has also been registered.

Your company believes that in coming years, the infrastructure spending will increase, leading to demand growth and stable prices for the cement sector. The cost may remain stable barring the distribution cost.

Review on Company's Performance

I. Performance

(Note :Though previous accounting year was a period of 15 months ended on 30th June 2011, figures for the year ended on 30th June 2012 (referred as 2012) in this note have been compared with corresponding un-audited figures for the year ended on 30th June 2011 (referred as 2011 or previous year) to make comparison useful)

A. Production and Sales

The production in 2012 has registered a growth of 21% over previous year against industry average of 6 – 7%. The Company has produced 2.11 million tonne (mnt) of cement during 2012 compared to 1.75 mnt in 2011. The capacity utilization has improved to 81% from 67% in previous year.

For the first time, the Company has crossed a gross turnover of ₹1000 crore during 2012. The gross sales was ₹1064 crore in 2012 registering a growth of 41% against ₹754 crore in 2011.

The volume of cement and clinker sold was 2.31 mnt, in 2012 compared to 1.99 mnt in 2011, registering a growth of 16%. In 2012, around 98% of the Company's gross sales were from domestic markets of India, compared to 93% in 2011. The price realisation has improved by 22%.

B. Costs

- The raw material cost per tone of cement has remained stable during 2012 as compared to 2011.
- With better utilization of captive thermal power plant and efficient fuel blending, the cost of power per tonne of production of cement is reduced by 15%.
- The direct fuel cost increased by around 27% per tonne of production in 2012.
- The domestic logistic cost was higher by 10% in 2012, over 2011, due to higher diesel prices and higher volume sold outside Gujarat.
- The company has completed the repayment of some of the interest bearing term loans during the year and also obtained refinance / revised terms on some of the debt, resulting in write back of interest provided in earlier quarters, thereby resulting in lower finance cost in 2012 compared to 2011.
- The other expenses have gone up on account of higher VAT pursuant to increase in domestic sales volumes and one time write-off of balance in Miscellaneous Expenditure (being pre-operative and deferred revenue expenditure).

C. Profits and Margins

- The above factors have enabled the Company to earn Profit Before Depreciation, Interest and Taxation of around ₹193.57 crore with a margin of 19.7% in 2012, improving from ₹107.9 crore in 2011 with a margin of 15.5%.
- The company has been able to regain its profitability by earning a net profit after tax of ₹ 81.88 crore, against a loss of ₹ 38.95 crore in 2011.

Internal Control Systems

The management maintains adequate internal control systems to support its business operations and statutory compliances. To further strengthen this, the Company has adapted a fully integrated ERP tool using world's leading software technology provided by "SAP". In addition, the continuous Internal Audit also aims at testing the operational effectiveness of the internal control system and thereby facilitates an objective assurance to the Board and Audit Committee regarding the adequacy and effectiveness of the system. This helps in discharging the obligations as required by clause 49 of the Listing Agreement.

5 Star International Accreditations

Your company is amongst the very few corporates in India and certainly one of the first cement plants in India to receive the following 5 International accreditation.

1. ISO 9000 (Quality Management System)
2. ISO 14001 (Environment Management System)
3. ISO 18001 (Health & Safety Management Standard)
4. SA 8000 (Social Accountability System Certificate)
5. ISO/ IEC 17025 (Quality Control Testing Laboratory, Chemical & Mechanical Testing)

Recognitions for best practices

During the year, the Directorate General of Mines Safety and Indian Bureau of Mines, Udaipur region have awarded many recognitions and awards to the company, including :

Noise, Vibration control and Aesthetic beauty	I prize
Maintenance of HEMM and Electrical Installation	I prize
Health, First Aid and Vocational training centre	II prize
Opencast working and general safety (Mine working)	II prize

Beside this, our officers were awarded many awards for their best awareness and practices in the field of mining.

Human Resources

The Company is an equal opportunity employer and lays special emphasis on welfare of its employees. It provides them with the best facilities and strives to engage and retain talented workforce at all levels. It encourages continuous learning and provides a conducive environment for personal and professional growth thereby leading to the growth of the company.

Future Outlook

Considering the infrastructure spending planned by the Central and State Governments of India, your Company expects a demand boost for cement and stable prices.

Risk and Concerns

Due to seasonal and cyclical nature of the cement industry, variation in cement prices and volumes cannot be ruled out.

Your Company uses imported coal as fuel in the production process as well as for generation of power. Therefore, it is heavily exposed to the volatility in the coal prices.

Any adverse variation in prices of other inputs, changes in tax structures, may not be possible to be passed on to the customer fully.

Cautionary Statement

The statements forming part of the Management Discussion and Analysis covered in this report may be forward looking. The actual results may differ from the expectations expressed above. The various external and internal factors, not currently anticipated, may influence the performance of the Company.

REPORT ON CORPORATE GOVERNANCE

I. A brief statement on the Company's philosophy on Code of Governance

The Company defines Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth generating capacity. The Corporate Governance initiative is based on two core principles. They are (i) Management must have the executive freedom to drive the enterprise forward without operational constraints; and (ii) This freedom of management should be exercised within a framework of effective accountability.

The Company believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and society's expectations.

From the above definition and core principles of Corporate Governance emerges the cornerstone of the company's governance philosophy, namely trusteeship, empowerment and accountability, transparency, control and ethical corporate citizenship. The Company believes that the practice of each of these leads to the creation of the right culture in which the Company is managed in a manner that fulfills the purpose of Corporate Governance.

2. Board of Directors

The Board of Directors consists of professionals drawn from diverse fields having varied experience. Shri Ravi Sanghi is the Chairman and Managing Director of the Company, who conducts the day-to-day management of the Company subject to the supervision and control of the Board of Directors.

Composition and category of Directors as on 30th June, 2012

Sl. No.	Category	Name of Director	
I.	Promoter and Executive	Shri Ravi Sanghi Shri Aditya Sanghi Shri Alok Sanghi	Chairman & Managing Director Executive Director Executive Director
II	Promoter and Non-Executive	Shri Gireesh Sanghi	
III	Professional and Executive	Smt. Bina Engineer Shri N. B. Gohil	Executive Director Executive Director
IV	Independent and Non-Executive	Shri Sadashiv Sawrikar Shri T. M. Jagan Mohan Shri R. K. Pandey Shri D. B. N. Rao Shri D. K. Kambale	
V	Independent and Nominee	Shri C. S. V. Rao – IDBI Nominee	

In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the shareholders.

Attendance of Directors at the Meetings of the Board of Directors held during the year ended 30th June, 2012 and the Annual General Meeting (AGM) held on 17th December, 2011 are as follows :

Four Board Meetings were held during the year on 12th August, 2011, 11th November, 2011, 12th January, 2012 and 9th May, 2012. The maximum time gap between two Board Meetings was not more than four calendar months.

Details of record of attendance of Directors and Directorships of Public Limited Companies and Membership/ Chairmanship of Board Committees

Name of Director	No. of Board Meetings attended	Attendance at the Last AGM	No. of Directorships of Other Companies &	No. of Membership of other Board Committees	No. of Chairmanship of other Board Committees #
Shri Ravi Sanghi	4	Yes	2	-	-
Shri Anand Prakash Sanghi@	1	No	N A	N A	N A
Shri Sudhir Sanghi @	1	No	N A	N A	N A
Shri Gireesh Sanghi	3	No	3	-	-
Shri Aditya Sanghi	3	No	5	-	-
Shri Alok Sanghi	3	No	5	-	-
Smt. Bina Engineer	4	Yes	-	-	-
Shri Sadashiv Sawrikar	4	Yes	1	-	-
Shri T. M. Jagan Mohan	4	Yes	-	-	-
Shri R. K. Pandey	1	No	12	4	2
Shri C. S. V. Rao	3	No	2	-	-
Shri D. K. Kambale \$	4	Yes	-	-	-
Shri D. B. N. Rao *	2	No	3	-	-
Shri N. B. Gohil %	2	No	-	-	-

@ Retired w.e.f. 17th December, 2011.

\$ Appointed as Independent – Non Executive Director w.e.f. 12th August, 2011.

* Appointed as Independent – Non Executive Director w.e.f. 22nd December, 2011.

% Appointed as Independent – Whole Time Director w.e.f. 22nd December, 2011.

& Excludes alternate directorships / directorships of private companies, foreign companies and companies under Section 25 of the Companies Act, 1956

Includes only Audit Committee and Shareholders' / Investors' Grievance Committee.

3. Committees of the Board of Directors

❖ Audit Committee

Brief description of Terms of Reference

To oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible; To review with management the annual financial statements before submission to the Board.

The Committee periodically reviews with the management, external and internal auditors, the adequacy of internal control systems. The Committee periodically interacts with the internal auditors to review the manner in which the internal audit is carried out. The Committee also holds discussions with external auditors before the statutory audit commences on the nature and scope of audit and after the audit ascertains from them any area of concern.

The Committee also reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the Company's staff. In accordance with the provisions of the Listing Agreement executed by the Company with the Stock Exchanges, the Committee also reviews the quarterly (un-audited) and annual financial statements before the same are submitted to the Board.

Composition, Names of Members and record of attendance during the period : Consists of Independent Directors as under :

During the year ended 30th June, 2012, the Committee meetings were held on 12th August, 2011, 11th November, 2011, 12th January, 2012 and 9th May, 2012. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman @	4	4
Shri T M Jagan Mohan	4	4
Shri R K Pandey \$	4	-

@ Appointed as the Chairman w.e.f. 11th November, 2011.

\$ Co-opted as a member w.e.f. 11th November, 2011

The Managing Director and Executive Director (Finance) are the permanent invitees to the Audit Committee Meetings. The Company Secretary is the Secretary of the Committee and the representatives from Statutory Auditors and Internal Auditors attend the Audit Committee Meetings as invitees.

❖ Finance Committee

Brief description of Terms of Reference

- To review the adequacy of banking arrangements and cash management and to review and approve short term and long term investment transactions, including execution and modification of the sanction letters, loan documents, security documents such as mortgage, hypothecation deeds etc. and such other related matters with respect to obtaining new loans/facilities or change in the terms and conditions of existing loans within the overall limits of the board powers.
- To convey acceptance of Sanction Letters, to approve the execution of Letters of Acknowledgement of Debts, Revival Letters, Balance Confirmation Letters that may be received from various Banks and Financial Institutions.
- To approve the exercise of guarantees as may be required by Banks, Financial Institutions, Central Excise, Customs and Sales Tax authorities etc. on any matter pertaining to the working affairs of the Company.
- To approach various lenders and creditors with proposals to settle the outstanding dues etc., and to approve the execution of suitable agreements with the consenting creditors, etc.
- To make recommendations to the Board relating to the capital structure and issuance of securities etc., including the authority to approach Investors (Institutional/Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary.

Composition, Names of Members and record of attendance during the period : Consists of Directors as under :

During the year ended 30th June, 2012, the Committee meetings were held on 12th August, 2011 and 12th January, 2012. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman	2	2
Shri Ravi Sanghi	2	2
Smt. Bina Engineer	2	2
Shri Anand Prakash Sanghi *	2	-

* Retired w.e.f. 17th December, 2011.

The Company does not pay any sitting fees to the Directors for attending the Finance Committee meetings.

❖ Remuneration Committee

Brief description of Terms of Reference

To review the overall compensation policy, service agreements and other employment conditions of the Managing / Executive and their Relatives (to an office or place of profit as defined in Section 314 of the Companies Act, 1956) with a view to motivate and retain the best managerial talents. In determining the remuneration package, it evaluates the remuneration paid by comparable organizations in and outside the Industry and thereafter makes its recommendations to the Board in this regard.

Composition, Names of Members : Consists of Independent Directors as under :

During the year ended 30th June, 2012, the Remuneration Committee Meeting was held on 10th November, 2011. The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman @	1	1
Shri T. M. Jagan Mohan	1	1
Shri D K Kambale *	1	-

@ Appointed as the Chairman on 10th November, 2011.

* Co-opted as member w.e.f. 11th November, 2011

The Company does not pay any sitting fees to the Directors for attending the Remuneration Committee meetings.

❖ Investor Service Committee :

Brief Description of Terms of Reference

It oversees redressal of shareholder and investor complaints, approves transfer and transmission of shares; authorizes issue of duplicate share certificates; and generally deals with all matters in connection with all securities issued by the Company from time to time.

Composition, Names of Members and record of attendance during the period : Consists of Directors as under :

The attendance of the Members was as follows :

Name of Director	No. of Meetings held	No. of Meetings attended
Shri T. M. Jagan Mohan, Chairman*	11	10
Shri Sadashiv Sawrikar	11	11
Shri Ravi Sanghi	11	11

* Absent in meeting dated 13th February, 2012 and Shri Sadashiv Sawrikar chaired the said meeting

The Company does not pay any sitting fees to the Directors for attending the Investors Service Committee meetings.

4. Remuneration Policy :

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be required, the Managing Director / Executive Director(s) are paid remuneration as per the agreements entered into between them and the Company. The remuneration structure of the Managing Director / Executive Director(s) comprises of salary, perquisites and allowances, contributions to Provident Fund, Superannuation Fund, Gratuity etc.

The salient features of the agreements executed by the Company with the Managing / Executive Directors are as under:

Name of Director	Shri Ravi Sanghi	Shri Aditya Sanghi	Shri Alok Sanghi	Smt. Bina Engineer	Shri N B Gohil
Designation	Chairman & Managing Director	Executive Director	Executive Director	Executive Director	Executive Director
Period of Appointment or re-appointment	Five Years w.e.f. 01.10.2010	Five Years w.e.f. 05.09.2007	Five Years w.e.f. 05.09.2007	Three Years w.e.f. 06.09.2010	Three Years w.e.f. 22.12.2011
Salary Grade	As per the approval of the shareholders				
Perquisites	As per the rules of the Company				
Minimum Remuneration	Where in any financial year, the Company has no profits or its profits are inadequate, then the Company will pay remuneration by way of salary and perquisites in accordance with the provisions of Schedule XIII to the Companies Act, 1956.				
Notice Period	The agreements may be terminated by either party giving the other party six months notice in writing of such termination.				

The details of salary and perquisites (including contribution to provident fund/superannuation fund etc. if any) paid or debited to Profit and Loss account during the year ended 30th June, 2012 towards Salary of Chairman & Managing Director and Executive Director(s) are as follows :

(₹ in crores)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Salary and Allowances	0.60	2.00
Perks	Nil	Nil
Commission	0.74	Nil
Company's contribution to PF and Superannuation Fund	Nil	Nil

The Company has not formulated any scheme for giving stock options to its employees. Hence, no stock options have been granted to the Chairman & Managing Director and Executive Directors for the period 2011 – 2012.

Non-Executive Directors

None of the Non-Executive Directors have any pecuniary interest or transactions with the Company, except receiving sitting fee of ₹ 4500 (Rupees Four Thousand Five Hundred Only) and incidental expenses of ₹ 3000 (Rupees Three Thousand Only) from the Company for attending the meetings of the Board or Audit Committee of Directors.

During the year ended 30th June, 2012, the Company issued cheques/paid the following amount towards sitting fees & incidentals to the Directors for attending the Board / Audit Committee Meetings:

Name of Director	Amount (₹)	Name of Director	Amount (₹)
Shri Anand Prakash Sanghi	5000	Shri T. M. Jagan Mohan	50000
Shri Sudhir Sanghi	5000	Shri R. K. Pandey	5000
Shri Gireesh Sanghi	20000	Shri C. S. V. Rao	20000
Shri Sadashiv Sawrikar	50000	Shri D K Kambale	25000
Shri D B N Rao	15000		

5. Subsidiary Companies

The Company does not have any subsidiaries.

6. Particulars for investors

Name and Designation of Compliance Officer:

Shri V. Sesha Sayee - Company Secretary (till 31st May, 2012)

Shri Anil Agrawal - Company Secretary (from 1st June, 2012)

The Company has entered into agreements with both depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to participate in the Depository System of share registration. The Company had appointed M/s. CIL Securities Limited having their office at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001 as the Registrars for Share Transfers and the Dematerialization of Shares.

The Company had attended to all complaints / queries of investors within a period of 7 – 14 days from the date of receipt. Regarding requests for dematerialization of shares, the Company had followed the specified time schedule as stipulated in this regard and as on 30th June, 2012, no investor complaints were pending for redressal and all letters received in this regard have been replied to.

Any shareholder whose grievance has not been resolved to his satisfaction may kindly write to the Company Secretary with a copy of the earlier correspondence.

7. General Body Meetings

Location and time of the General Meetings held in last three years.

Year	Type of Meeting	Date	Venue	Time
2009	AGM	29.09.2009	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Andhra Pradesh – 501 511	10.30 a.m.
2010	AGM	30.09.2010	..do..	09.30 a.m.
2011	AGM	17.12.2011	..do..	11.00 a.m.

No special resolution requiring a postal ballot was passed during the Financial Year 2010-11.

8. Disclosures

- Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:

Particulars of the Related party transactions are listed out in Note I, Para II (e) of the Notes of Accounts of Annual Report. However, none of the transactions with any of the related parties were in conflict with the interests of the Company.

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets during the last three years:

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.

- Disclosures of the compliance with mandatory requirements and adoption/non-adoption of non-mandatory requirements :

The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements.

- Disclosures of relationships between Directors inter-se:
 Shri Ravi Sanghi, Shri Anand Prakash Sanghi*, Shri Sudhir Sanghi* and Shri Gireesh Sanghi are brothers and Shri Aditya Sanghi and Shri Alok Sanghi are the sons of Shri Ravi Sanghi. None of the other Directors have any relation inter-se.
 *Director up to 17.12.2011

9. Means of Communication

The Company publishes its financial results every quarter in leading newspapers such as Financial Express and Vaartha. The results are also displayed on the Company's website www.sanghiment.com

10. Cost Audit

In accordance with the stipulation made by the Ministry of Corporate Affairs, New Delhi directing the Company to get the cost records audited, the Company had appointed M/s. N.D. Birla & Company, Cost Accountants, Ahmedabad as the Cost Auditors.

11. General Shareholder Information

Annual General Meeting Day, Date, Time and Venue	:	Tuesday, 25 th September, 2012 at 10.30 a.m. Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Andhra Pradesh – 501 511
Financial Year / Calendar	:	
• Results for first quarter ending 30 th September, 2012	:	On or before 15 th November, 2012
• Results for second quarter ending 31 st December, 2012	:	On or before 15 th February, 2013
• Results for third quarter ending 31 st March, 2013	:	On or before 15 th May, 2013
Date(s) of Book Closure/ Record Date	:	10 th September, 2012 to 13 th September 2012 (both days inclusive)
Registered Office	:	Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Andhra Pradesh – 501 511
Phone, Fax, E-mail	:	Phone : 08415 – 242240 Fax : 08415 – 242239 E-mail: companysecretary@sanghiment.com
Plant Location	:	Sanghipuram, Village Motiber, Taluka Abdassa, District Kutch, Gujarat – 370 511
Registrar & Share Transfer Agent (RTA) and address	:	CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001 Phone : 040 – 2320 2465 Fax : 040 – 2320 3028 E-mail: advisors@cilsecurities.com
Address for Investors Correspondence	:	Either to the Company at its registered office address or to the RTA
Listing on Stock Exchanges	:	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)
Payment of Annual Listing Fee	:	Annual Listing Fee for the year 2012-13 has been paid to both the Exchanges.
Stock Code	:	BSE – 526521 NSE – SANGHIIND
Demat ISIN in NSDL and CDSL	:	INE999B01013

- ❖ Monthly High and Low Quotation of Shares traded on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for 2011-12:

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	July-2011	18.95	14.00	18.90	13.95
2	August	18.00	12.77	17.85	12.55
3	September	15.90	13.40	15.95	13.00
4	October	17.95	14.60	17.90	14.55
5	November	15.80	12.75	15.60	12.55
6	December	16.77	12.75	16.80	12.55
7	January - 2012	16.80	15.25	16.80	15.25
8	February	20.25	15.55	20.25	15.30
9	March	19.25	16.10	18.70	15.95
10	April	18.75	16.00	19.25	15.55
11	May	20.55	15.00	20.50	15.50
12	June	16.55	14.10	17.00	14.60

- ❖ Distribution of shareholding as on 30th June, 2012 : 12,263 shareholders held
21,99,79,000 equity shares of ₹ 10/- each

Slab (No. of Shares)	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	10193	83.12	23,38,176	1.06
501 – 1000	984	08.02	7,64,257	0.35
1001 – 2000	416	03.39	6,50,113	0.30
2001 – 3000	140	01.14	3,64,249	0.17
3001 – 4000	99	00.81	3,54,390	0.16
4001 – 5000	82	00.67	3,90,069	0.18
5001 – 10000	134	01.09	10,08,821	0.46
10001 – and above	215	01.75	21,41,08,925	97.33
Total	12263	100.00	21,99,79,000	100.00

- ❖ Distribution of Equity Shareholding according to categories of shareholders as on 30th June, 2012

Category	No. of Shares	Amount (in ₹)	% to total
Promoter Group Individuals along with Persons Acting in Concert	12,33,30,200	1,23,33,02,000	56.06
Public			
a) Foreign Institutional Investors	31,20,283	3,12,02,830	1.42
b) Foreign Financial Institutions	2,07,63,928	20,76,39,280	9.44
c) Non-resident Indians / OCBs	11,54,922	1,15,49,220	0.53
d) Others	7,16,09,667	71,60,96,670	32.55
I. Total	21,99,79,000	2,199,790,000	100.00

- ❖ Share Transfer System

The Company/Registrar & Share Transfer Agents completes the process of transfer requests for which the average time taken for processing of share transfers is approximately 21 days from the date of receipt of request, provided the documents are found in order.

❖ Dematerialization of Shares and liquidity

With effect from 25th June, 2001, trading in the Company's shares was made compulsory in the dematerialized form. The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 30th June, 2012, 93.05% of the Equity Share Capital, representing 20,46,85,891 shares were held in depository mode.

❖ Investor Relations

All the queries received from shareholders during the year ended 30th June 2012 have been responded to. The queries are generally replied to within a maximum of 21 days of their receipt by the Company/RTA depending upon the criticality of issue involved.

❖ Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit their request to the Company's Share section at its registered office in the prescribed Form 2B for this purpose, which can be obtained by writing to the Company Secretary at its registered office address.

Declaration	
Pursuant to the provisions of Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges, and according to the information provided/available, this is to confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2011-2012.	
Place : Mumbai Date : 28 th August, 2012	Ravi Sanghi Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Sanghi Industries Limited

We have examined the compliance of conditions of Corporate Governance by Sanghi Industries Limited for the year ended on 30th June, 2012 as stipulated in clause 49 of the Listing Agreement executed by the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Ankit & Co.**
Chartered Accountants
FRN No.000181S

S . Brij Kumar
Partner
M. No. 19357

Place : Mumbai
Date : 28th August, 2012

For **Haribhakti & Co.**
Chartered Accountants
FRN No.103523W

Prashant Maharishi
Partner
M. No.41452

AUDITORS' REPORT

To
The Members of
Sanghi Industries Limited,

1. We have audited the attached Balance Sheet of Sanghi Industries Limited ('the Company') as at June 30, 2012 and also the Statement of Profit and Loss and the Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on June 30, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on June 30, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at June 30, 2012;
 - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Ankit & Co.**
Chartered Accountants
FRN No.000181S

S . Brij Kumar
Partner
M. No. 19357

Place : Mumbai
Date : 28th August, 2012

For **Haribhakti & Co.**
Chartered Accountants
FRN No.103523W

Prashant Maharishi
Partner
M. No.41452

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Sanghi Industries Limited on the financial statements for the year ended June 30, 2012.]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us, the Company has not disposed of any substantial part of the fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4(iii)(b),(c) and (d) of the order are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. No undisputed amounts payable were outstanding as on 30th June 2012 for a period more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Demand	42.60	Various years 2005-10	Customs, Excise & Service tax Appellate Tribunal
Customs Act, 1962	Customs Demand	1.52		
Service Tax Act, 1944	Service Tax Demand	6.76	Various years	Customs, Excise & Service tax Appellate Tribunal
Electricity Act, 1994	Duty on Generation from D G Set	3.30	Various years	Gujarat High Court
Bombay Land Revenue Code, 1879	Land Revenue on Leasehold Land	1.17	Various years	Gujarat High Court

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Ankit & Co.**
Chartered Accountants
FRN No.000181S

S . Brij Kumar
Partner
M. No. 19357

Place : Mumbai
Date : 28th August, 2012

For **Haribhakti & Co.**
Chartered Accountants
FRN No.103523W

Prashant Maharishi
Partner
M. No.41452

BALANCE SHEET AS AT 30TH JUNE 2012

₹ Crore

Particulars	30-06-2012	30-06-2011
I. EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	298.98	302.19
(b) Reserves and surplus	574.09	492.20
2 Non-Current Liabilities		
(a) Long-term borrowings	742.82	821.51
(b) Long-term provisions	2.75	3.03
3 Current Liabilities		
(a) Short-term borrowings	25.40	28.02
(b) Trade Payables - Refer Note No. 1 (II.b)	68.41	58.71
(c) Other current liabilities	237.16	218.84
(d) Short-term provisions	2.16	2.42
TOTAL	1,951.77	1,926.92
II. ASSETS		
Non-Current Assets		
1 Fixed assets		
(i) Tangible assets	1,374.28	1,381.36
(ii) Capital Work-in-Progress	155.12	194.30
(b) Deferred tax assets (net)	53.97	45.29
(c) Long-term loans and advances	147.14	137.10
(d) Other non-current assets	-	4.17
2 Current Assets		
(a) Inventories	178.89	121.91
(b) Trade receivables	17.77	3.65
(c) Cash and cash equivalents	7.07	7.67
(d) Short-term loans and advances	17.53	30.18
(e) Other current assets	-	1.29
TOTAL	1,951.77	1,926.92

As per our Report of even date

For **ANKIT & CO.**,
Chartered Accountants
FRN No. 000181S

S. Brij Kumar
Partner
M.No. 19357

For **HARIBHAKTI & Co.**,
Chartered Accountants
FRN No.: I03523W

Prashant Maharishi
Partner
M.No.41452

For and on behalf of the Board of Directors

Ravi Sanghi
Gireesh Sanghi
Aditya Sanghi
Alok Sanghi
Bina Engineer
N. B. Gohil
Sadashiv Sawrikar
D.B.N.Rao
R. K. Pandey
T. M. Jagan Mohan
D. K. Kambale

Chairman and Managing Director
Director
Executive Director
Executive Director
Executive Director
Executive Director
Director
Director
Director
Director
Director

Anil Agrawal

Company Secretary

Place: Mumbai

Date : 28th August, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 30th JUNE 2012

₹ Crore

Particulars	30-06-2012 (12 months)	30-06-2011 (15 months)
I. Revenue from operations (Net of Duties)	974.07	899.48
II. Other income	9.65	8.97
III. Total Revenue (I + II)	983.72	908.45
IV. Expenses:		
Raw Material and other manufacturing expenses	424.83	438.78
Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.41	(20.05)
Employee benefits expense	30.62	31.99
Freight outward and other selling expenses	269.86	250.86
Finance costs	24.89	97.65
Depreciation and amortization expense	98.06	107.42
Other expenses	58.85	48.85
Total expenses	910.52	955.50
V. Profit before exceptional and extraordinary items and tax (III-IV)	73.20	(47.05)
VI. Exceptional items	-	-
VII. Profit before extraordinary items and tax (V - VI)	73.20	(47.05)
VIII. Extraordinary Items	-	-
IX. Profit before tax (VII- VIII)	73.20	(47.05)
X. Tax expense:		
(1) Current tax	-	-
(2) Deferred tax (Referred Note I.II.c)	(8.68)	(14.40)
(3) MAT Credit entitlement	-	(3.10)
XI. Profit/(Loss) for the period from continuing operations (IX-X)	81.88	(29.55)
XII. Profit/(Loss) brought forward	442.38	471.93
XIII. Balance Carried to Balance Sheet	524.26	442.38
XIV. Earnings per equity share :		
Basic and Diluted	3.72	(1.34)

As per our Report of even date

For **ANKIT & CO.**,
Chartered Accountants
FRN No. 000181S

S. Brij Kumar
Partner
M.No. 19357

For **HARIBHAKTI & Co.**,
Chartered Accountants
FRN No.:103523W

Prashant Maharishi
Partner
M.No.41452

For and on behalf of the Board of Directors

Ravi Sanghi
Gireesh Sanghi
Aditya Sanghi
Alok Sanghi
Bina Engineer
N. B. Gohil
Sadashiv Sawrikar
D.B.N.Rao
R. K. Pandey
T. M. Jagan Mohan
D. K. Kambale

Chairman and Managing Director
Director
Executive Director
Executive Director
Executive Director
Executive Director
Director
Director
Director
Director
Director

Place: Mumbai

Date : 28th August, 2012**Anil Agrawal**

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2012

₹ Crore

	30.6.2012 (12 months)	30.6.2011 (15 months)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	73.20	(47.05)
Adjustments for:		
Depreciation and amortisation	98.06	107.42
Non-Cash Miscellaneous Expenditure written off	4.17	-
Interest Income	(0.26)	(0.30)
Foreign Exchange (gain)/loss	-	(1.76)
Interest and other Financial Charges	24.89	97.65
Operating Profit before Working Capital Changes	200.06	155.96
Adjustments for:		
(Increase)/Decrease in Inventories	(56.98)	(14.90)
(Increase)/Decrease in Debtors	(14.12)	3.70
(Increase)/Decrease in Operating Current Assets and Long term Loans and Advances	(35.57)	22.13
Increase/(Decrease) in Trade Creditors	20.94	(30.37)
Increase/(Decrease) in Current Liabilities and Provisions	(10.16)	37.18
Cash from operating activities	104.17	173.70
Income Taxes paid	(1.17)	(3.29)
Net Cash from operating activities	103.00	170.41
B. CASH FLOW FROM INVESTING ACTIVITIES:		
(Additions)/Deletions of Fixed Assets (Net)	(18.55)	(91.06)
Interest Received	2.71	0.18
Net Cash used in investing activities	(15.84)	(90.88)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Movement in Working Capital Borrowing	(2.63)	(2.05)
Proceeds/(Repayment) of long term borrowings(Net)	(71.66)	(26.53)
Interest and other Financial Charges	(11.40)	(45.50)
Payment towards OCCPPS	(2.07)	-
Cash from Financing activities	(87.76)	(74.08)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(0.60)	5.45
Cash and Cash equivalents (Opening Balance)	7.67	2.22
Cash and Cash equivalents (Closing Balance)	7.07	7.67
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	0.33	0.17
Bank Balances	6.74	7.50
	7.07	7.67

As per our Report of even date

For **ANKIT & CO.,**
Chartered Accountants
FRN No. 000181S

For **HARIBHAKTI & Co.,**
Chartered Accountants
FRN No.:103523W

For and on behalf of the Board of Directors

S. Brij Kumar
Partner
M.No. 19357

Prashant Maharishi
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Chairman and Managing Director
Director
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Director
Director
Director
Director
Director

Anil Agrawal

Company Secretary

Place: Mumbai

Date : 28th August, 2012

Note : I**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 30TH JUNE, 2012****I Significant Accounting Policies:**

1. Sanghi Industries Limited is engaged in the manufacturing cement and cement products and it caters to both domestic and export market. The Company's manufacturing facilities are in Sanghipuram, Gujarat. Equity shares of the company are listed on The National Stock Exchange and Bombay Stock Exchange.
2. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.
3. The accounts are prepared on historical cost convention and in compliance with the Generally Accepted Accounting Principles in India and in all material respect with the Accounting Standards notified under The Companies Accounting Standards Rule 2006 and the relevant provision of The Companies Act, 1956.
4. Significant Accounting Policies adopted in preparation of financial statements are constant with those of previous years, unless otherwise stated, and are as under:-
 - a) The Company is recognizing income and expenditure on accrual basis.
 - b) Fixed Assets are stated at cost of acquisition or construction and all costs, relating to the acquisition and installation of fixed assets are capitalized up to the date the asset is put to use.
 - c) Depreciation on assets is provided on straight line method at the rates provided in Schedule XIV of the Companies Act, 1956. Cement manufacturing plant is considered as continuous process plant.
 - d) Foreign Currency transactions are initially recognized at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into rupees at exchange rate prevailing on the date of Balance Sheet. All exchange differences are dealt with in the Profit & Loss Account except in case of long term liabilities where they relate to acquisition of fixed assets, in which case, they are adjusted to carrying cost of such assets as per MCA notification 29th December, 2011, Para 46A, GSR_914 for accounting period starting from 01.04.2011.
 - e) Inventory and its valuation :
 - i) Finished and semi-finished goods are valued at lower of cost and net realizable value.
 - ii) Raw Materials, Consumables, Stores, Packing Material and Work-in-Progress are valued at lower of cost and net realizable value.
 - iii) Cost is determined on a weighted average basis.
 - f) Employee Benefits have been provided on the basis of revised Accounting Standard 15 :
 - i) Defined Benefit Plans : Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet.
 - ii) Other Long Term Benefits : Long Term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
 - iii) Actuarial gain/losses, if any, are immediately recognized in the Profit and Loss Account.

g) Revenue Recognition :

- i) Sales are recognized on delivery of goods.
- ii) Export Incentives and insurance claims are recognized when the right to receive materializes and there is no significant uncertainty regarding realization of the claims.

h) Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date and adjusted to reflect the current management estimates.

No provision is recognized for any 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 and not wholly within the control of the Company; or any present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

i) Taxation :

- a) Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- b) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognized, only to the extent there is a reasonable certainty of its realization. Deferred tax assets are reviewed at each Balance Sheet date to reassure realization.

j) Impairment of Fixed Assets :

- a) The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

k) Earning per Share :

The Company reports basic and diluted Earnings Per Share in accordance with Accounting Standard 20 on 'Earnings Per Share'. Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

II Other Notes on Accounts :

a) Earning Per Share

(₹ Crore)

Particulars	2011-12 (12 months)	2010-11 (15 months)
(i) Profit/(Loss) after Tax as per Profit and Loss Account	81.88	(29.55)
(ii) Weighted average number of equity shares (number)	21,99,79,000	21,99,79,000
(iii) Basic and diluted Earnings per share in ₹ (Face Value: ₹ 10/- per share)	3.72	(1.34)

- b) Disclosure of Sundry Creditors under Current Liabilities is based on the information provided by the supplier regarding their status as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Amount overdue as on 30th June 2012 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to ₹ Nil (previous year ₹ Nil).
- c) No provision for Income Tax is made in the current period in view of the computation of income resulting in loss as per the normal computation as per provision of the Income Tax Act for AY 2012-13. MAT Credit Entitlement for the current period ₹ Nil (P.Y. ₹ 3.10 crores) . The Deferred Tax Liability and Deferred Tax Assets as on 30.06.2012 computed as per AS 22 is as under:

(₹ Crore)

	Deferred Tax Liability / (Asset)	Current Year Charge / (Credit)	Deferred Tax Liability / (Asset)
	as on 30.06.2011		as on 30.6.2012
Deferred Tax Liabilities (DTL)			
Difference between Tax Depreciation and Book Depreciation	48.78	(15.17)	33.61
Total DTL A	48.78	(15.17)	33.61
Deferred Tax Assets (DTA)			
Unabsorbed Depreciation	(94.07)	6.49	(87.58)
Total DTA B	(94.07)	6.49	(87.58)
Deferred Tax (Asset) / Liability (Net) A+B	(45.29)	(8.68)	(53.97)

d) Segment Reporting

The Company has only one segment 'cement' as primary segment. The secondary segment is geographical which is given as under :

(₹ Crore)

Revenue	30.06.2012 (12 months)	30.06.2011 (15 months)
Domestic	951.43	811.45
Export	22.64	88.03
Sales (net of excise duty)	974.07	899.48

All the assets of the Company except the debtors for export and other receivables amounting to ₹ 0.31 crores (30.06.2011 : ₹ 0.64 crore) are within India.

e) **Related Party Disclosure :**

- a. Key Management Personnel:
- Mr. Ravi Sanghi – Chairman and Managing Director
 - Mr. Aditya Sanghi – Whole Time Director
 - Mr. Alok Sanghi – Whole Time Director
 - Mrs. Bina Engineer – Whole Time Director
 - Mr. N.B. Gohil – Whole Time Director
- b. Particulars of remuneration paid to Chairman and Managing Director and Whole time Directors are given in Para 4 of the Report on Corporate Governance.
- c. As informed, there are no subsidiaries or associate companies.
- f) The claims against the company not acknowledged as debt amount to ₹ 118.14 crore (Previous year ₹ 126.35 crore) and interest and penalty thereon as may be decided at the time of disposal of the claim. Against above, the Company has deposited a sum of ₹ 49.11 crore (Previous Year- ₹ 54.24 crore) with respective authorities as deposit.
- g) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 0.82 crore (net of advances) (Previous year Nil)
- h) **Payments made to Auditors :**

(₹ Crore)

	30.06.2012 (12 months)	30.06.2011 (15 months)
a) Statutory Audit Fee	0.15	0.15
b) In other capacity in respect of other services	0.07	0.07
Total	0.22	0.22

i) **Details of Directors' Remuneration**

(₹ Crore)

	30.06.2012 (For 12 months)	30.06.2011 (For 15 months)
i. Salary	2.60	3.09
ii. Perquisites	Nil	Nil
iii. Contribution to Provident Fund/Super Annuation Fund	Nil	Nil
iv. Sitting Fee	0.02	0.03
Sub Total	2.62	3.12
v. Commission	0.74	Nil
Total	3.36	3.12

(₹ Crore)

Determination of Profit as per S.349 of Companies Act 1956	
Profit After Tax excluding Commission	82.62
Add : Depreciation as per Profit and Loss Account	98.06
Add: Credit for DTA	(8.68)
Less :Depreciation u/s. 350	(98.06)
Eligible Profit u/s 349	73.94
Commission Payable at 1% of Eligible profit	0.74
Maximum limit for managerial remuneration	8.13

Remuneration taken to Profit and Loss Account

Salary and perquisites	2.60
Commission as above	0.74

j) **Operating Lease**

(₹ Crore)

	30.06.2012	30.06.2011
Company as a Lessee		
Minimum Lease Payment		
Not later than one year	0.39	0.39
Later than one year and not later than five years	0.36	1.14
Later than Five years	-	-
Total	0.76	1.53
Company as a Lessor		
Minimum Lease Receipt		
Not later than one year	0.12	0.12
Later than one year and not later than five years	0.45	0.45
Later than Five years	-	-
Total	0.57	0.57

- k) Foreign currency exposure that are not hedged by derivative instruments or otherwise as on 30th June, 2012 amount to ₹ 211.39 crore (Previous Year ₹ 202.75 crore)
- l) The previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification. However, previous year's figures are for 15 months and therefore, are not comparable.
- m) Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part (II) of Schedule VI to the Companies Act, 1956 is as under (Certified by the management):

A. **Production**

	30.06.2012 (12 months)	30.06.2011 (15 months)
Clinker (MT)	2,027,656	2,434,680
Cement (MT)	2,113,206	2,323,025

B. **Stock and Turnover**

Particulars	30.06.2012 (12 months)		30.06.2011 (15 months)	
	Qty (MT)	Value (₹ Crore)	Qty (MT)	Value (₹ Crore)
i. Finished Goods				
Opening Stock				
Clinker	193,724	37.26	123,456	21.09
Cement	28,728	8.37	23,005	5.09
Closing Stock				
Clinker	129,573	30.48	193,724	37.26
Cement	36,055	11.67	28,728	8.37
ii Turnover				
Clinker	202,165	53.83	302,609	59.94
Cement*	2,105,879	1010.50	2,317,302	920.62

* includes self consumption and shortage 2140 MT (PY. 1,476 MT)

C. Detail of Major Raw Material Consumed

(₹ Crore)

	30.06.2012 (12 months)		30.06.2011 (15 months)	
	Qty (MT)	Value	Qty (MT)	Value
Limestone	2,933,469	24.77	3,421,627	29.50
Gypsum	99,906	3.99	111,801	6.65

D. CIF Value of Imports

(₹ Crore)

	30.06.2012 (12 months)	30.06.2011 (15 months)
Stores, Spares and Capital Goods	4.84	6.50

E. Earnings in Foreign Currency

(₹ Crore)

	30.06.2012 (12 months)	30.06.2011 (15 months)
FOB Value of Export	22.64	78.90
Other Income	-	-

F. Expenditure in Foreign Currency

(₹ Crore)

	30.06.2012 (12 months)	30.06.2011 (15 months)
Interest, Foreign Travel, Consultancy, Commission, etc	7.46	8.66

n. Raw Material and Stores Consumption

	30.06.2012 (12 months)		30.06.2011 (15 months)	
	₹ Crore	%	₹ Crore	%
a. Raw Material Consumed :				
(i) Imported	-	-	-	-
(ii) Indigenous	41.36	100.00	54.49	100.00
Total	41.36	100.00	54.49	100.00
b. Stores and spares Consumed :				
(i) Imported	4.84	9.75	6.50	16.51
(ii) Indigenous	44.81	90.25	32.87	83.49
Total	49.65	100.00	39.37	100.00

o. Employee Defined Benefits :As per Actuarial Valuation in accordance with Revised accounting Standard 15 as on 30th June, 2012

(₹ Crore)

Particulars	30.06.2012 (12 months)		30.06.2011 (15 months)	
	Gratuity	Leave encashment	Gratuity	Leave encashment
I. Expense recognized in the statement of Profit and Loss Account for the period ended 30 th June, 2012				
1. Current Service Cost	4.16	0.21	0.48	0.30
2. Interest Cost	0.17	0.10	0.15	0.09
3. Employee Contributions	-	-	-	-
4. Expected Return on Plan Assets	-	-	-	-
5. Actuarial (Gains)/Losses	(3.88)	(0.30)	(0.23)	(0.08)
6. Past Service Cost	-	-	-	-
7. Settlement Cost	-	-	-	-
8. Losses/(gains) on acquisition/divestiture	-	-	-	-
9. Total Expense	0.45	0.01	0.40	0.31
II. Net Asset/(Liability) recognized in the Balance Sheet as at 30 th June, 2012				
1. Present Value of Defined Benefit Obligation	2.37	1.04	2.02	1.27
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/Deficit]	-	-	-	-
4. Net Asset/(Liability) as at 30 th June, 2012	2.37	1.04	2.02	1.27

III. Other Particulars	Gratuity	Leave encashment	Gratuity	Leave encashment
1. Present value of Defined Benefit Obligation at the beginning of the year	2.02	1.27	1.90	1.21
2. Current service Cost	4.16	0.21	0.48	0.30
3. Interest Cost	0.17	0.10	0.15	0.09
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Liabilities assumed on acquisition/(settled on divestiture)	-	-	-	-
8. Actuarial (Gains)/Losses	(3.88)	(0.30)	(0.23)	(0.08)
9. Benefits Payments	(0.11)	(0.24)	(0.28)	(0.25)
10. Sick Leave	-	-	-	-
11. Present Value of Defined Benefit Obligation at the end of the period	2.37	1.04	2.02	1.27

IV. Actuarial Assumption :

1. Discount Rate 8.50% p.a
2. Salary Escalation 6 % p.a



Turning Dreams into Concrete Reality

Sanghi Industries Limited

Registered Office :
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R. R. District, Andhra Pradesh, INDIA.
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