

Date: 26th June, 2017

To,
The General Manager
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
The Assistant Vice-President
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

Dear Sir,

Sub.: Matters relating to the 30th Annual General Meeting (AGM).

This is to inform you that the 30th Annual General Meeting (AGM) of the Company was held on Saturday, 24th June, 2017 at the registered office of the Company at Sanghinagar, P.O., Hayatnagar Mandal, R. R. District, Telangana, 501 511.


In this regard, we are enclosing herewith the following:

1. The proceedings as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The voting results as required under Regulation 44 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Consolidated Report of Scrutinizer on Remote E Voting and poll process.
4. Annual Report for financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly adopted by the members as per the provisions of the Companies Act, 2013.

The above are also uploaded on the website of the Company (www.sanghicement.com).

Kindly take the same on your records.

Thanking you,
Yours faithfully,
For, Sanghi Industries Limited


Anil Agrawal
Company Secretary
Encl: As above



Sanghi Industries Limited

CIN No. : L18209TG1985PLC005581

Registered Office : P.O. Sanghinagar, Hayatnagar Mandal, R R District, Telangana - 501511.

Tel. : 08415 - 242240 **E-mail :** companysecretary@sanghicement.com

Website : www.sanghicement.com

Summary of the proceedings of the 30th Annual General Meeting of the Company.

The 30th Annual General meeting of the Company was held on Saturday, 24th June, 2017 at Sanghinagar P.O., Hayatnagar Mandal, R. R. District, Telangana, 501 511 at 10.00 a.m. to seek the approval of members of the Company on resolutions set out in the notice convening Annual General Meeting. Shri Ravi Sanghi, Chairman and Managing Director of the Company chaired the meeting. Thereafter he welcomed the shareholders of the company and the requisite quorum being present, he called the meeting to be in order.

Thereafter the Chairman called the Company Secretary to read the Auditors' report. The Company Secretary read the report and informed that the Auditors' report did not contain any qualification or adverse remarks.

Thereafter with the permission of the members, the Chairman continued the proceedings of the meeting. The Chairman of the Company invited the questions from the members. Some Members raised the questions and the same were replied appropriately / satisfactorily by the Chairman. Thereafter the following resolutions as set out in the Notice convening the Annual General Meeting were proposed and seconded by the Members.

Sr. No.	Details of the Agenda	Type of resolution
Ordinary Business:		
1.	Adoption of Financial Statements including the audited Balance Sheet as at 31 st March, 2017, Statement of Profit and Loss and Cash Flow for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.	Ordinary
2.	Re-appointment of Shri Nirubha Balubha Gohil (holding DIN: 05149953), who retires by rotation as a Director of the Company.	Ordinary
3.	Appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Reg. no. 101720W), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Reg. no.: 000478N), Delhi as the Joint Statutory Auditors in place of M/s. Ankit & Co., Chartered Accountants (Firm Reg. no. 000181S), Hyderabad and M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Reg. no. 103523W), Ahmedabad to hold office from the conclusion of this meeting till the conclusion of the Thirty Fifth Annual General Meeting subject to ratification of appointment at every Annual General Meeting of the Company and to fix their remuneration.	Ordinary

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Special Business:
Turning Dreams into Concrete Reality

4.	Re-appointment of Shri Sadashiv Sawrikar (holding DIN 02073022), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.	Special
5.	Re-appointment of Shri Radha Krishna Pandey (holding DIN 00190017), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.	Special
6.	Re-appointment of Shri Devidas Kashinath Kambale (holding DIN 00020656), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.	Special
7.	Re-appointment of Shri Dabbir Badri Narayan Rao (holding DIN 01180539), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.	Special
8.	Re-appointment of Shri Tangutoori Malliah Jagan Mohan (holding DIN 00423263), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.	Special
9.	Ratification of Remuneration payable to M/s N D Birla & Co., Cost Accountants, Ahmedabad for the financial year 2017-18.	Ordinary
10.	Re-appointment of Shri Aditya Sanghi (holding DIN: 00033755), as Whole-time director of the Company with effect from 6 th September, 2017, for a period of five years and payment of remuneration for the period of three years w.e.f. 6 th September, 2017.	Special
11.	Re-appointment of Shri Alok Sanghi (holding DIN: 00033506), as Whole-time director of the Company with effect from 6 th September, 2017, for a period of five years and payment of remuneration for the period of three years w.e.f. 6 th September, 2017.	Special
12.	Approval for further Raising of Capital.	Special

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The Company Secretary further informed that pursuant to the Regulation 44 of SEBI (LODR) Regulation, 2015 and pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014 as amended from time to time, the Company had provided the facility of remote E -voting to the Shareholders to enable them to cast their votes electronically on the resolutions proposed in the Notice of the of the Annual General Meeting of the Company. The remote e-voting commenced on 21st June, 2017 (10.00 a.m.) and ended on 23rd June, 2017 (5.00 p.m.). Members who were present at the AGM and had not cast their votes electronically were provided an opportunity to cast their votes at the end of the meeting through Poll. The members were thereafter briefed about the procedure for filling the Poll Papers. The members had cast their votes accordingly.

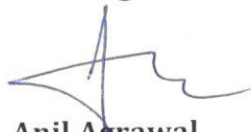
The Board of Directors had appointed Shri A. A. Narayana Murthy, Company Secretary, as the Scrutinizer for remote e-voting and poll process at the Annual General Meeting.

As all the business of the meeting was completed, the Chairman declared the meeting as concluded. The Chairman thanked all the members present at the meeting for taking active interest in the working of the Company.

The Scrutinizers' report has been received and accordingly it was concluded that all the resolutions as set out in the Notice were passed with requisite majority.

This is for your information and records.

For Sanghi Industries Limited



Anil Agrawal
Company Secretary



Sanghi Industries Limited

CIN No. : L18209TG1985PLC005581

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Voting results	
Record date	17-06-2017
Total number of shareholders on record date	18280
No. of shareholders present in the meeting either in person or through proxy	
a) Promoters and Promoter group	1
b) Public	38
No. of shareholders attended the meeting through video conferencing	
a) Promoters and Promoter group	0
b) Public	0
No. of resolution passed in the meeting	12
Disclosure of notes on voting results	Add Notes

[Prev](#)

Home

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Resolution (1)

Resolution required: (Ordinary / Special)									
Whether promoter/promoter group are interested in the agenda/resolution?									
Ordinary									
No									
Adoption of Audited Financial Statements including the Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss and Cash Flow for the year ended on that day together with the Directors' Report and the Auditors' Report thereon									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
Promoter and Promoter Group	E-Voting		164445173	100.0000	164445173	0	100.0000	0.0000	0
	Poll	164445173	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting		16967231	35.7541	16967211	20	99.9999	0.0001	0
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
	Total	219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
Whether resolution is Pass or Not.						Yes			
Disclosure of notes on resolution									
Add Notes									



Home

Validate

Resolution (2)

Resolution (2)									
Resolution required: (Ordinary / Special)									
Whether promoter/promoter group are interested in the agenda/resolution?									
Ordinary No									
Re-appointment of Shri Nirubha Balubha Gohil (holding DIN: 05149953), who retires by rotation as a Director of the Company.									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes – in favour (4)	No. of votes – against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Invalid Votes (6)
Promoter and Promoter Group	E-Voting								
	Poll	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting								
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting								
	Poll	47455377	16967231	35.7541	16967231	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		1294	0.0027	1294	0	100.0000	0.0000	0
	Total	47455377	16968525	35.7568	16968525	0	100.0000	0.0000	0
Total		219979000	181413698	82.4686	181413698	0	100.0000	0.0000	0
Whether resolution is Pass or Not.									
Disclosure of notes on resolution									
Yes									
Add Notes									



Home

Validate

Resolution (3)

Resolution required: (Ordinary / Special)									
Whether promoter/promoter group are interested in the agenda/resolution?									
Ordinary No									
<p>Appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Reg. no. 101720W), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Reg. no.: 000478N), Delhi as the Joint Statutory Auditors in place of M/s. Ankit & Co., Chartered Accountants (Firm Reg. no. 000181S), Hyderabad and M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Reg. no. 103523W), Ahmedabad to hold office from the conclusion of this meeting till the conclusion of the Thirty Fifth Annual General Meeting subject to ratification of appointment at every Annual General Meeting of the Company and to fix their remuneration.</p>									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
	Poll	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting								
	Poll	8078450		0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)				0	0	0.0000	0.0000	0
	Total	8078450		0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting								
	Poll	47455377	16967231	35.7541	16967211	20	99.9999	0.0001	0
	Postal Ballot (if applicable)		1294	0.0027	1294	0	100.0000	0.0000	0
	Total	47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
Total		219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
Whether resolution is Pass or Not.									
Yes									
Disclosure of notes on resolution									
Add Notes									



Home

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Resolution (4)									
Resolution required: (Ordinary / Special)					Special				
Whether promoter/promoter group are interested in the agenda/resolution?					No				
Description of resolution considered					Re-appointment of Shri Sadashiv Sawrikar (holding DIN 02073022), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
Promoter and Promoter Group		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
	E-Voting Poll	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
	E-Voting Poll	47455377	16967231	35.7541	16967231	0	100.0000	0.0000	0
Public- Non Institutions	Postal Ballot (if applicable)		1294	0.0027	1294	0	100.0000	0.0000	0
	Total	47455377	16968525	35.7568	16968525	0	100.0000	0.0000	0
	Total	219979000	181413698	82.4686	181413698	0	100.0000	0.0000	0
Whether resolution is Pass or Not.					Yes				
Disclosure of notes on resolution					Add Notes				



Home

Validate

Resolution (5)

Resolution (5)									
Resolution required: (Ordinary / Special)					Special				
Whether promoter/promoter group are interested in the agenda/resolution?					No				
Description of resolution considered					Re-appointment of Shri Radha Krishna Pandey (holding DIN 00190017), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
Promoter and Promoter Group		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
	E-Voting		164445173	100.0000	164445173	0	100.0000	0.0000	0
	Poll	164445173	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
Public- Institutions	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
	E-Voting		0	0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
Public- Non Institutions	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
	E-Voting		16967231	35.7541	16967211	20	99.9999	0.0001	0
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)								
Total		47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
	Total	219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
Whether resolution is Pass or Not.					Yes				
Disclosure of notes on resolution					Add Notes				



Home

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Resolution (6)									
Resolution required: (Ordinary / Special)					Special				
Whether promoter/promoter group are interested in the agenda/resolution?					No				
Description of resolution considered					Re-appointment of Shri Devidas Kashinath Kambale (holding DIN 00020656), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
Promoter and Promoter Group	E-Voting		164445173	100.0000	164445173	0	100.0000	0.0000	0
	Poll	164445173	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting		16967231	35.7541	16967211	20	99.9999	0.0001	0
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
Total		219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
					Whether resolution is Pass or Not.				
					Disclosure of notes on resolution				
					Yes				
					Add Notes				



Home

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Resolution (7)									
Resolution required: (Ordinary / Special)					Special				
Whether promoter/promoter group are interested in the agenda/resolution?					No				
Description of resolution considered					Re-appointment of Shri Dabbir Narayan Rao (holding DIN 01180539), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
	Poll	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting		16967231	35.7541	16967211	20	99.9999	0.0001	0
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
Total		219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
					Whether resolution is Pass or Not.				
					Disclosure of notes on resolution				
					Yes				
					Add Notes				



Resolution (8)									
Resolution required: (Ordinary / Special)									
Whether promoter/promoter group are interested in the agenda/resolution?									
Special No									
Re-appointment of Shri Tangutoori Malliah Jagan Mohan (holding DIN 00423263), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes – in favour (4)	No. of votes – against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Invalid Votes (6)
Promoter and Promoter Group	E-Voting		164445173	100.0000	164445173	0	100.0000	0.0000	0
	Poll	164445173	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting		16967231	35.7541	16967211	20	99.9999	0.0001	0
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
Total		219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
Whether resolution is Pass or Not.									
Disclosure of notes on resolution									
Yes									
Add Notes									



Home

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Resolution (9)

Resolution required: (Ordinary / Special)											
Whether promoter/promoter group are interested in the agenda/resolution?											
Ordinary											
No											
Ratification of Remuneration payable to M/s N D Birla & Co., Cost Accountants, Ahmedabad for the financial year 2017-18.											
Category	Mode of voting	No. of shares held	No. of votes polled	(1)	(2)	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
Promoter and Promoter Group	E-Voting					$(3)=[(2)/(1)]*100$	(4)	(5)	$(6)=[(4)/(2)]*100$	$(7)=[(5)/(2)]*100$	(6)
	Poll	164445173	164445173		164445173	100.0000	164445173	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		0			0.0000	0	0	0.0000	0.0000	0
	Total	164445173	164445173			100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting					0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0			0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)		0			0.0000	0	0	0.0000	0.0000	0
	Total	8078450	0			0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting					35.7541	16967231	0	100.0000	0.0000	0
	Poll	47455377	1294			0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)										
	Total	47455377	16968525			35.7568	16968525	0	100.0000	0.0000	0
Total		219979000	181413698			82.4686	181413698	0	100.0000	0.0000	0
Whether resolution is Pass or Not.											
Yes											
Disclosure of notes on resolution											
Add Notes											



Home

Validate

Resolution (10)									
Resolution required: (Ordinary / Special)					Special Yes				
Whether promoter/promoter group are interested in the agenda/resolution?					Re-appointment of Shri Aditya Sanghi (holding DIN: 00033755), as Whole-time director of the Company with effect from 6th September, 2017, for a period of five years and payment of remuneration for the period of three years w.e.f. 6th September, 2017.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
Promoter and Promoter Group		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
	E-Voting		164445173	100.0000	164445173	0	100.0000	0.0000	0
	Poll	164445173	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	0
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting		16967231	35.7541	16967211	20	99.9999	0.0001	0
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	0
	Postal Ballot (if applicable)								
	Total	47455377	16968525	35.7568	16968505	20	99.9999	0.0001	0
	Total	219979000	181413698	82.4686	181413678	20	100.0000	0.0000	0
Whether resolution is Pass or Not.					Yes				
Disclosure of notes on resolution					Add Notes				



Home

Validate

Resolution (11)

Resolution (11)									
Resolution required: (Ordinary / Special)					Special				
Whether promoter/promoter group are interested in the agenda/resolution?					Yes				
Description of resolution considered					Re-appointment of Shri Alok Sanghi (holding DIN: 00033506), as Whole-time director of the Company with effect from 6th September, 2017, for a period of five years and payment of remuneration for the period of three years w.e.f. 6th September, 2017.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
Promoter and Promoter Group	E-Voting Poll	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	0
Public- Institutions	E-Voting Poll	8078450	0	0.0000	0	0	0.0000	0.0000	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	0
Public- Non Institutions	E-Voting Poll	47455377	16967231	35.7541	16967231	0	100.0000	0.0000	0
	Postal Ballot (if applicable)		1294	0.0027	1294	0	100.0000	0.0000	0
	Total	47455377	16968525	35.7568	16968525	0	100.0000	0.0000	0
Total		219979000	181413698	82.4686	181413698	0	100.0000	0.0000	0
					Whether resolution is Pass or Not.				
					Disclosure of notes on resolution				
					Yes				
					Add Notes				



Home

Validate

Resolution (12)

Resolution (12)									
Resolution required: (Ordinary / Special)									
Whether promoter/promoter group are interested in the agenda/resolution?									
Special No									
Approval for further Raising of Capital.									
Description of resolution considered									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled	Invalid Votes
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100	(6)
Promoter and Promoter Group	E-Voting		164445173	100.0000	164445173	0	100.0000	0.0000	
	Poll	164445173	0	0.0000	0	0	0.0000	0.0000	
	Postal Ballot (if applicable)								
	Total	164445173	164445173	100.0000	164445173	0	100.0000	0.0000	
Public-Institutions	E-Voting		0	0.0000	0	0	0.0000	0.0000	
	Poll	8078450	0	0.0000	0	0	0.0000	0.0000	
	Postal Ballot (if applicable)								
	Total	8078450	0	0.0000	0	0	0.0000	0.0000	
Public- Non Institutions	E-Voting		16967231	35.7541	16967231	0	100.0000	0.0000	
	Poll	47455377	1294	0.0027	1294	0	100.0000	0.0000	
	Postal Ballot (if applicable)								
	Total	47455377	16968525	35.7568	16968525	0	100.0000	0.0000	
Total		219979000	181413698	82.4686	181413698	0	100.0000	0.0000	
Whether resolution is Pass or Not.									
Disclosure of notes on resolution									
Yes									
Add Notes									



A.A. Narayana Murthy
Company Secretary

M.I.G. 108
Bathakamma Kunta Shivam Road
Amberpet, Opp. Papaji Dhaba
Hyderabad, Telangana – 500013
Email : aanmurthy@rediffmail.com
Cell : 09000063783

Form No. MGT-13
Report of Scrutinizer

[Pursuant to Section 108 and 109 of the Companies Act, 2013 and Rule 20 and 21(2) of the Companies (Management and Administration) Rules, 2014]

To,
The Chairman,
30th Annual General Meeting of the Equity Shareholders of
Sanghi Industries Limited
(CIN: L18209TG1985PLC005581)
Held on 24th June, 2017 at
Sanghi Nagar P.O.,
Hayatnagar Mandal,
R. R. District,
Telangana – 501 511

Dear Sir,

Sub: Consolidated Scrutinizer's Report on Remote E-voting and poll.

I, A. A. Narayana Murthy, Company Secretary, of Hyderabad have been appointed as the Scrutinizer by the Board of Directors of M/s. Sanghi Industries Limited, pursuant to Section 108 and 109 of the Companies Act, 2013 ("the Act") to scrutinize the remote e-voting process and voting through poll process at the 30th Annual General Meeting of Equity shareholders of M/s. Sanghi Industries Limited held on Saturday, 24th June, 2017 at 10.00 a.m.

I submit the report as under:

The Notice convening Annual General Meeting dated 24th May, 2017 along with the statement setting out material facts under Section 102 of the Act was sent to the Shareholders.

The shareholders of the Company holding shares as on the "cut-off" date i.e. on 17th June, 2017 were entitled to vote on the resolutions as contained in the Notice of the Annual General Meeting.

The voting period for remote e-voting commenced on Wednesday, 21st June, 2017 at 10.00 a.m. (IST) and concluded on Friday, 23rd June, 2017 at 5.00 p.m. (IST) and thereafter the CDSL e-voting platform was blocked.

The votes cast under remote e-voting facility were thereafter unblocked in the presence of two witnesses Mr. P V S Soma Sekher and Mr. K V N Chary who were not in the employment of the company and after the conclusion of the voting at the Annual General Meeting the votes cast there under were counted.



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At the Annual General Meeting after the time fixed for closing of the poll by the Chairman, one ballot box kept for polling was locked in my presence with due identification marks placed by me. The locked ballot box was subsequently opened in my presence and poll papers were diligently scrutinized. The Poll papers were reconciled with the records maintained by the Company. I did not find any poll papers invalid.

Consolidated report on the remote E-voting and voting through Poll papers at the Annual General Meeting is as under:

ORDINARY BUSINESS:

Resolution No. 1: (ORDINARY RESOLUTION)

Adoption of Audited Financial Statements including the Audited Balance Sheet as at 31st March, 2017, Statement of Profit and Loss and Cash Flow for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.

I. Voted in **favour** of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100

II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
1	20	0

III. Invalid votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 2: (ORDINARY RESOLUTION)

Re-appointment of Shri Nirubha Balubha Gohil (holding DIN: 05149953), who retires by rotation as a Director of the Company.

I. Voted in favour of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
111	181413698	100



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II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
----	----	----

III. Invalid votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 3: (ORDINARY RESOLUTION)

Appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Reg. no. 101720W), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Reg. no.: 000478N), Delhi as the Joint Statutory Auditors in place of M/s. Ankit & Co., Chartered Accountants (Firm Reg. no. 000181S), Hyderabad and M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Reg. no. 103523W), Ahmedabad to hold office from the conclusion of this meeting till the conclusion of the Thirty Fifth Annual General Meeting subject to ratification of appointment at every Annual General Meeting of the Company and to fix their remuneration.

I. Voted in **favour** of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100

II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
1	20	0

III. **Invalid** votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----



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SPECIAL BUSINESS:

Resolution No. 4: (SPECIAL RESOLUTION)

Re-appointment of Shri Sadashiv Sawrikar (holding DIN 02073022), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.

I. Voted in *favour* of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
111	181413698	100

II. Voted *against* the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
----	----	----

III. *Invalid* votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 5: (SPECIAL RESOLUTION)

Re-appointment of Shri Radha Krishna Pandey (holding DIN 00190017), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting .

I. Voted in *favour* of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100

II. Voted *against* the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
1	20	0

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A.A. Narayana Murthy
Company Secretary

M.I.G. 108
Bathakamma Kunta Shivam Road
Amberpet, Opp. Papaji Dhaba
Hyderabad, Telangana – 500013
Email : aanmurthy@rediffmail.com
Cell : 09000063783

III. **Invalid** votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 6: (SPECIAL RESOLUTION)

Re-appointment of Shri Devidas Kashinath Kambale (holding DIN 00020656), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.

I. Voted in **favour** of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100

II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
1	20	0

III. **Invalid** votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 7: (SPECIAL RESOLUTION)

Re-appointment of Shri Dabbir Badri Narayan Rao (holding DIN 01180539), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.

I. Voted in **favour** of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100



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II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
1	20	0

III. **Invalid** votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 8: (SPECIAL RESOLUTION)

Re-appointment of Shri Tangutoori Malliah Jagan Mohan (holding DIN 00423263), as an Independent Director of the Company, to hold office for a period of five consecutive years from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting.

I. Voted in **favour** of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100

II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
1	20	0

III. **Invalid** votes:

Number of members whose votes were declared invalid	Number of votes cast by them
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Resolution No. 9: (ORDINARY RESOLUTION)

Ratification of Remuneration payable to M/s. N D Birla & Co., Cost Accountants, Ahmedabad for the financial year 2017-18.



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I. Voted in **favour** of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
111	181413698	100

II. Voted **against** the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
----	----	----

III. **Invalid** votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 10: (SPECIAL RESOLUTION)

Re-appointment of Shri Aditya Sanghi (holding DIN: 00033755), as Whole-time Director of the Company with effect from 6th September, 2017, for a period of five years and payment of remuneration for the period of three years w.e.f. 6th September, 2017.

I. Voted in **favour** of the resolution:

Number of Members voted (In person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
110	181413678	100

II. Voted **against** the resolution:

Number of Members voted (In person or by proxy)	Number of votes cast by them	% of total number of valid votes cast
1	20	0

III. **Invalid** votes:

Number of members (In person or by proxy) whose votes were declared invalid	Number of votes cast by them
----	----



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Resolution No. 11: (SPECIAL RESOLUTION)

Re-appointment of Shri Alok Sanghi (holding DIN: 00033506), as Whole-time Director of the Company with effect from 6th September, 2017, for a period of five years and payment of remuneration for the period of three years w.e.f. 6th September, 2017.

I. Voted in favour of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
111	181413698	100

II. Voted against the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
----	----	----

III. Invalid votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----

Resolution No. 12: (SPECIAL RESOLUTION)

Approval for further Raising of Capital.

I. Voted in favour of the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
111	181413698	100

II. Voted against the resolution:

Number of Members voted	Number of votes cast by them	% of total number of valid votes cast
----	----	----

III. Invalid votes:

Number of members whose votes were declared invalid	Number of votes cast by them
----	----



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A.A. Narayana Murthy
Company Secretary

M.I.G. 108
Bathakamma Kunta Shivam Road
Amberpet, Opp. Papaji Dhaba
Hyderabad, Telangana – 500013
Email : aanmurthy@rediffmail.com
Cell : 09000063783

All relevant records of electronic voting will remain in our safe custody until the Chairman considers, approves and signs the minutes of the 30th Annual General Meeting and the same shall be handed over thereafter to the Chairman / Company Secretary for safe keeping.

Thanking You,
Yours faithfully,



A.A.N. Murthy
ACS No. : 4796
COP No. : 15438
Scrutinizer
Company Secretary



Counter Signed



Ravi Sanghi
Chairman & Managing Director



Date : 24th June, 2017
Place : Hyderabad



SANGHI INDUSTRIES LIMITED

30th ANNUAL REPORT 2016-17





Artist : Rakesh Patel
Title : Untitled
Medium : Acrylic on Canvas
Size : 4x6 Ft.
Year : 2016

The above painting depicts artist's observation inspired from Kutch which he visited during the Sanghi Live Art Fest held at Sanghipuram, Kutch. It portrays a bunch of kids from the rural areas, who seemed to be among those happy go lucky kids with dreams in their eyes. Usually when people see them they pity them to be poor and helpless children with no future but the artist could see that they are more happy than anyone else. Here the artist has visualized their potential future of being successful in their own way. The artist believes everything is possible if one has a dream and the power within to turn the tables around' and has depicted the same in his painting.

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

Contents

Particulars	Page No.
Board of Directors	2
Directors' Report	3-14
Management Discussion and Analysis	15-19
Annexure to Directors' Report	20-49
Auditors' Report	50-55
Balance Sheet and Profit and Loss Statement	56-57
Cashflow Statement	58-59
Notes to Accounts	60-88

Board of Directors

Shri Ravi Sanghi	Chairman and Managing Director
Shri Aditya Sanghi	Executive Director
Shri Alok Sanghi	Executive Director
Smt. Bina Engineer	Executive Director
Shri N. B. Gohil	Executive Director
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
Shri M. K. Doogar	Director

Company Secretary

Shri Anil Agrawal

Joint Statutory Auditors

M/s Ankit & Co.
Chartered Accountants
Hyderabad

M/s Haribhakti & Co.LLP
Chartered Accountants
Ahmedabad

Registered Office

Sanghinagar P.O.
Hayatnagar Mandal, R R District,
Telangana - 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: Makarba,
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
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 30th Annual Report together with the audited financial statements for the year ended 31st March, 2017.

Financial Results:

(₹ in Crore)

	2016-2017 (Twelve Months)	2015-2016 (Nine Months)
Total Income	1104.26	841.76
Profit before Interest, Depreciation and Taxation	200.43	152.92
Interest	64.23	22.18
Operating Profit	136.20	130.74
Depreciation	73.06	53.98
Profit Before Tax (PBT)	63.14	76.76
Exceptional items – Net Expenses of Lenders Prepayment	-	60.39
Profit Before Tax after exceptional items	63.14	16.38
(Add)/Less: Provision for Tax	-	0.39
Profit After Tax (PAT)	63.14	15.98
Other Comprehensive Income	(0.17)	0.44
Total Comprehensive Income	62.97	16.42

Dividend

In order to conserve the resources, your Directors do not recommend any dividend for the year under review.

Transfer to Reserves

During the year under review, the Company has transferred ₹ 13.21 crores to Debenture Redemption Reserve.

Operations and Performance of the Company

Since the current financial year (2016-17) is consisting of twelve months and previous year (2015-16) is consisting of nine months, the figures of current year are not comparable with the previous year.

During the year ended 31st March, 2017, the Total Revenue was ₹ 1104.26 crores against ₹ 841.76 crores in the previous year. The Profit Before Tax and Exceptional Items for the year has been ₹ 63.14 crores against ₹ 76.76 crores in previous year. The Profit after Exceptional Items and Tax for the current year is ₹ 63.14 crores, against to ₹ 15.98 crores in previous year. The Total Comprehensive Income for the current year is ₹ 62.97 crores, against ₹ 16.42 crores in previous year.

The results are analysed at length in Management Discussion and Analysis Report.

Material Changes and commitments affecting the financial position of the Company

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

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 and also current and future outlook of the Company.

Deposits

The Company has not accepted or renewed any deposits from public falling within the purview of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Subsidiary Company

The Company has incorporated a wholly-owned subsidiary company “Sange Testing Service (Sanghai) Co. Ltd.’ at Shanghai, China. However, the Company has not invested any funds in the said subsidiary company and the said subsidiary company has also not started any operations, hence, the Company is not required to provide details of subsidiary company under prescribed Form AOC – I.

Board of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed thereunder, Shri Nirubha B. Gohil (holding DIN: 05149953) whole -time Director of the Company retires by rotation at the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment.

Shri Aditya Sanghi (holding DIN: 00033755) and Shri Alok Sanghi (holding DIN: 00033506) have been re-appointed as whole-time Directors of the Company for a period of five years with effect from 6th September, 2017 subject to approval of the Members at the ensuing Annual General Meeting. The resolutions proposing their re-appointment are set out in the Notice convening the Annual General Meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and the Rules framed thereunder, Shri Sadashiv Sawrikar (DIN: 02073022), Shri T.M. Jagan Mohan (DIN: 00423263), Shri Radha Krishna Pandey (DIN: 00190017) Shri Devidas Kashinath Kambale (DIN: 00020656) and Shri Dabbir Badri Narayana Rao (DIN 01180539) who were appointed as an Independent Directors for the periods of three consecutive years shall hold the office till the conclusion of forthcoming Annual General Meeting. The resolutions proposing their re-appointment are set out in the Notice convening the Annual General Meeting.

Your Directors recommend their re-appointment.

During the year under review, Shri Jayesh Desai ceased to be Nominee Director of the company with effect from 20th February, 2017 due to withdrawal of nomination by IDBI Trusteeship Services Ltd. (the “Debenture Trustee”).

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Shri Ravi Sanghi, Chairman and Managing Director
2. Smt. Bina Engineer, Chief Financial Officer and Whole-time Director
3. Shri Anil Agrawal, Company Secretary

Your Directors are pleased to inform that Smt. Bina Engineer has been conferred with the prestigious award of Best CFO of the Year 2016 in the ‘Women’ category by the Institute of Chartered Accountants of India (ICAI) for her exceptional performance and achievements.

Corporate Governance Report

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on “Corporate Governance” is attached as **Annexure I** forming part of this Report.

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 134(5) of the Companies Act, 2013 with respect to the Directors’ Responsibility Statement, your Directors confirm that:

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanations relating to material departures, if any;
- (b) they 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 31st March, 2017 and of the profit of the Company for the year under review;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the accounts for the year ended 31st March, 2017 on a 'going concern' basis;
- (e) they had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Risk Management Policy

Your company has developed and implemented a Risk Management Policy pursuant to Section 134(3)(n) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

The risk management process is designed to safeguard the organisation from various risks through adequate and timely action. It is designed to anticipate, evaluate and mitigate risks in order to minimise its impact on the business. The risk management framework of the Company is appropriate compared to the size of the Company and the environment under which the Company operates.

At present, in the opinion of the Board, there is no identification of Risk element that may threaten the existence of the Company.

Number of Board Meetings

During the year under review, the Board of Directors duly met Four (4) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report.

Insurance

The properties and assets of the Company are adequately insured.

Declaration by Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6).

Performance Evaluation of the Board Committees and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried the evaluation of its own performance, individual Directors, its Committees, including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its Committees, experience and expertise, performance of specific duties and obligations etc were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

The performance of each of the Non-Independent Directors (including the Chairman) was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

Policy on Directors' Appointment and Policy on Remuneration

Pursuant to the requirements of Section 134 and 178 of the Companies Act, 2013, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and Senior Management is attached as **Annexure II** to this Report.

Secretarial Audit Report

M/s Parikh Dave & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2016-17 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed Form MR-3 is attached as **Annexure III** to this Report.

Contracts or Agreements with Related Parties

During the year under review, there were no Related Party Transactions entered by the Company with related parties, hence reporting in Form AOC – 2 as required under provisions of Section 134 read with Section 188 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

Necessary related party disclosures are provided in Note 38 which is forming the part of the notes to financial statements.

The policy on Related Party Transactions has been uploaded on the website www.sanghiment.com/policies

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure IV** to this Report.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars which is available for inspection by members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Internal Financial Control and their adequacy

The Company has adopted Internal Control System considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures etc. Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of your Company's operations.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

The Company has not made any Loans or provided any Guarantee or made any Investments falling under purview of Section 186 of the Companies Act, 2013 during the financial year 2016-17.

Statutory Auditors

Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013 the existing Joint Statutory Auditors M/s. Ankit & Co., Chartered Accountants, Hyderabad and M/s. Haribhakti & Co. LLP, Chartered Accountants, Ahmedabad, who have been acting as Statutory Auditors of the Company since more than ten years cannot be re-appointed as the Statutory Auditors for the year 2017-18.

In view of the said provisions of Companies Act, 2013, the Company has approached M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration Number: 101720W) and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N), for their appointment as Joint Statutory Auditors of the Company. They have consented to act as the Joint Statutory Auditors of the Company and have also given the confirmation to the effect that their appointment, if made by the Company would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Accordingly, a resolution seeking members' approval for their appointment as Joint Statutory Auditors of the Company for the period of 5 consecutive years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the financial year 2022 is proposed. The Board recommends passing of the proposed resolution.

Audit Committee

The Audit Committee of the Company as on 31st March, 2017 consists of following Directors as its members:

1. Shri Sadashiv Sawrikar – Chairman
2. Shri R. K. Pandey– Member
3. Shri T. M. Jagan Mohan - Member

Vigil Mechanism

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder read with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a Vigil Mechanism termed as Whistle Blower Policy for Directors and employees to report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code of Conduct, which also provides for adequate safeguards against victimization of director(s)/employees who avail of the mechanism and also provide for direct access to the Whistle Officer/Chairman of the Audit Committee.

The Whistle Blower Policy is made available on the website of the Company www.sanghiment.com/policies

Significant and Material Orders passed by the Regulators or Courts or Tribunals

During the year under review, there was no significant or material order passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations in future.

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 2017-18 to both the Stock Exchanges.

Cost Audit

The Company has appointed M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad, as Cost Auditor of the Company for audit of cost accounting records for the year 2017-18. The Audit Report of the cost accounts of the Company for the year ended 31st March, 2017 will be submitted to the Central Government in due course.

Corporate Social Responsibility

At Sanghi Industries Limited (SIL), the Corporate Social Responsibility (CSR) has been an integral part of the way we have been doing our business since inception. SIL has 4.1 million tonnes per annum capacity cement plant in the Abdasa taluka of Kutch district in Gujarat. Right from the beginning, SIL has focused on developing the social infrastructure in the surrounding area where most villages suffered from chronic ills like limited livelihood options, acute scarcity of water, poor or no healthcare facilities, barren land and no set up for education.

SIL has always believed in transformation of socio-economic conditions of the region it operates in. The Company is conscious about the responsibility towards society and has proved itself as a responsible Corporate Citizen.

SIL enjoys the distinction of being one of the first cement companies in India to be awarded SA:8000:2008 i.e. Social Accountability Certificate for its plant for the last seven years (earlier SA:8000:2001). 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 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; and

- Conducting social awareness programmes on various issues.

The Company has constituted the Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Policy enumerating the CSR Activities to be undertaken by the Company, in accordance with the Schedule VII of the Companies Act, 2013 approved and adopted by the Board of Directors is also placed on the website of the Company www.sanghiment.com/policies. The requisite details on CSR Activities pursuant to Section 135 of the Companies Act, 2013 and Rules framed thereunder are annexed as **Annexure V** to this Report.

The details relating to the composition of Committee and meetings convened of the Committee etc. are furnished in the Corporate Governance Report which is forming the part of this Report.

Extract of the Annual Return

Extract of the Annual Return as on 31st March, 2017 in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, is annexed to this Report as **Annexure VI**.

Environment and Pollution Control

Company's 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:

- KPD inlet duct modification resulting reduction of 50% KPD waste generation;
- Partially utilizing KPD as a performance improver into the product;
- Enhancing fly ash utilization in blended cement;
- First time successfully completed coal tar trial for utilizing as an alternative fuel in Kiln; and
- Enhancing pond ash utilization as an alternative raw material for Clinker.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

(a) Conservation of Energy-		
(i)	The steps taken or impact on conservation of energy;	<ul style="list-style-type: none"> • Conducted Energy Audit and implemented the energy conservation action plan; • Continuous process optimization & reduction in false air ingress; • Up-gradation of main Raw Mill bag house to reduce pressure drop; • Installation of closed mines belt conveyor of 3 KM for limestone transportation from Mines to Clinker Plant; • Installation of Slip Power Recovery System (SPRS) in coal mills; • Segregate vital and non-vital compressed air application and re-route entire compressed air network for energy saving; • Adaption to best practices and processes of the sector; • Replacement of conventional lighting system with LED lighting system in Plant & Colony; and • Higher usage of alternative fuel in Kiln.
	The steps taken by the company for utilizing alternate sources of energy	<ul style="list-style-type: none"> • Installation of automated Alternative Fuel & Raw Material (AFR) system in Clinker plant for utilizing waste like used Oil, Coal Tar, Plastics, Oily cotton waste, ETP sludge, Paint sludge etc generated by other industries as an alternative fuel in Kiln. • Started erection of 15 MW Waste Heat Recovery System (WHRS) for power generation.
(iii)	The capital investment on energy conservation equipments	₹ 1824 Lac

Sanghi Industries Limited

(b) Technology absorption-														
(i)	The efforts made towards technology absorption:	The MIS Cell and Energy Steering Committee is working on energy accounting and conservation program by handling issues associated with. SIL strive to implement latest technologies for energy efficiency, alternative resources & minimize adverse impact on environment. The regular Energy Audit is carried out by the third party to identify the area for improvement.												
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution.	product improvement, cost reduction, product development & import substitution												
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:	NA												
	• the details of technology imported;	NA												
	• the year of import;	NA												
	• whether the technology been fully absorbed; and	NA												
	• if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA												
(c) Research and Development														
	Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> • New Process Developed. • Improvement in existing production process(s). • Energy conservation. • Pollution control. 												
(i)	Benefits derived as result of the above R&D	<ul style="list-style-type: none"> • Use of pond ash, increment in kiln feed, blended cement for raw material conservation. • Modification in raw mill, commissioning of new cement grinding unit. • SPRS for all HT fans, raw-mix optimization and efficiency in fuel blending. • Real time monitoring of SPM, water sprinklers for fugitive emission, compliance of environmental norms during operation. 												
(ii)	Future Plan of Action	<ul style="list-style-type: none"> • Cooler up-gradation, enhance AFR contribution. • Develop new product, which is Eco-friendly, up-gradation of coal mill classifier. • Kiln inlet seal modification, reduce limestone consumption, add conversion factor from raw mill to clinker. • Close loop on quality parameters, find alternative material for cement strength. 												
(iii)	Expenditure on R&D	<div style="text-align: right;">(₹ In Lacs)</div> <table border="1"> <thead> <tr> <th></th><th>2016-17</th><th>2015-16</th></tr> </thead> <tbody> <tr> <td>Capital</td><td>128.48</td><td>3.85</td></tr> <tr> <td>Recurring</td><td>129.90</td><td>126.70</td></tr> <tr> <td>Total R & D Expenditure</td><td>258.38</td><td>130.55</td></tr> </tbody> </table>		2016-17	2015-16	Capital	128.48	3.85	Recurring	129.90	126.70	Total R & D Expenditure	258.38	130.55
	2016-17	2015-16												
Capital	128.48	3.85												
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Total R & D Expenditure	258.38	130.55												

Foreign Exchange Earnings and Outgo

The particulars with regard to foreign exchange earnings and outgo are set out in Note 40 of Note to the Financial Statements.

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.

- ISO 9001:2008 (Quality Management System Standard)
- ISO 14001:2004 (Environmental Management System Standard)
- OHSAS 18001:2007 (Occupational Health & Safety Management System Standard)
- SA 8000:2014 (Social Accountability System Certificate)
- ISO/IEC 17025:2005 (NABL accreditation for Chemical and Mechanical Testing)

Recognitions for best practices

Awards conferred to our various mines during celebration of “7th Metalliferous Mines Safety Week - 2016” under the aegis of Directorate General of Mines Safety, Ahmedabad Region are as below:-

S. No.	Awards conferred to Jadua Limestone Mines:	Awarded
1	Overall Performance.	First Prize
2	Publicity, Propaganda & Fire Fighting	First Prize
3	Health, Safety, Welfare & Occupational Health Check up facilities	Second Prize
4	Raising by Explosives, Storage & Transportation/Raising by Surface Miner	Second Prize
5	Best Stall	First Prize
	Awards conferred to Motiber Silica Sand Mines:	
1.	Overall Performance	First Prize
2.	Quarry Working & General Safety	First Prize
3.	Appointment of Statutory Person & Maintenance of Records	Second Prize

The Company has also won following award during celebration of “24th Mines Environment & Mineral Conservation Week Celebrations – 2016-17”, MEMC Council of Gujarat, under the aegis of Indian Bureau of Mines Gandhinagar Region:-

S. No.	Awards conferred to Jadua Limestone Mines:	Awarded
1	Systematic & Scientific Development	Second Prize

Cashless Township

Sanghipuram township is on the forefront of the Mission of Digital India and Less-Cash India. The Hon'ble Prime Minister, Shri Narendra Modi has recognized Sanghipuram as a “Cashless Township” at the function held under auspices of NITI Aayog at Nagpur on 14th April, 2017.

Industrial Relations

The Company's Industrial relations with its employees 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.

The Company has not received any complaint under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Appreciation/Acknowledgement

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: Ahmedabad

Date: 24th May, 2017

Ravi Sanghi
Chairman & Managing Director

SANGHI INDUSTRIES LIMITED

ICAI PRESTIGIOUS - BEST CFO AWARD IN WOMEN CATEGORY TO MRS. BINA ENGINEER, DIRECTOR (FINANCE) & CFO



DEALER TOUR - SPAIN



SANGHI RAJRATNA SCHEME



OBSERVING NATIONAL SAFETY WEEK



INSTALLATION OF CONVEYOR BELT



SANGHIPURAM ANNOUNCED AS LESSCASH & DIGITAL TOWNSHIP



SANGHI LIVE ART FEST - SANGHIPURAM : DEC 24, 2016 TO JAN 02, 2017



SPONSORED IPL - 2017 GUJARAT LIONS TEAM : MEET & GREET EVENT



MID DAY MEAL TO AKSHAYA PATRA FOUNDATION



MEDICAL SEVA CAMP FOR MATA NO MADH PILGRIMS



KHEL MAHAKUMBH - SANGHIPURAM



MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 31st March 2017 ("2017"). 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

The economy is estimated to grow at 7.1 per cent in 2016-17, as compared to the growth of 7.6 per cent achieved in 2015-16.

India's Current Account Deficit declined from about 1% of GDP last year to 0.3% of GDP in the first half of 2016-17. It was 1.3% of GDP in 2014-15.

While our country's Revenue Deficit to GDP ratio is estimated to reduce to 2.1% in 2016-17 from 2.5% in 2015-16, Fiscal Deficit to GDP is estimated to reduce to 3.5% in 2016-17 from 3.9% in 2015-16.

Cement Industry – Present Scenario and Outlook

Demand

The demand for cement can be classified into four segments, namely housing (55-60 per cent), infrastructure (20-25 per cent), commercial construction (5-10 per cent) and industrial segments (10-15 per cent).

The demand for cement remained flat during 2016-17 amid slower off-take in private housing and delayed spending on government-sponsored housing projects.

The cement industry's production reduced by 1.3% to around 279.81 mnt in FY-17 from 283.46 mnt in FY-16. The capacity utilization during 2016-17 was around 68% against 70% during 2015-16.

The demand from housing, real estate and industry had not registered any significant growth in the year. The infrastructure project have long schedule of implementation and the resultant demand growth for cement was nominal.

Now, the Government is focussed on nation-wide infrastructure growth and various affordable housing projects, amongst other initiatives including smart cities. The Indian Government's measures to promote investment in ports, roads, airports and other infrastructure projects and building smart cities are likely to support cement demand.

Some of the few initiatives of the Government, expected to boost demand for cement, are given below.

- The Union Budget has proposed to assign infrastructure status to affordable housing projects and facilitate higher investments and better credit facilities, in line with the Government's aim to provide housing for all by 2022 which will boost cement demand. The scheme will be extended to around 600 districts.
- To facilitate the above, it is also proposed that the National Housing Bank will refinance individual housing loans of about ₹20,000 crore (US\$ 3 billion) in 2017-18.
- The increased allocation to rural low-cost housing under Pradhan Mantri Awaas Yojana- Gramin scheme to ₹ 23,000 crore (US\$ 3.45 billion) from ₹16,000 crore (US\$ 2.4 billion) in FY17 is also likely to increase cement demand.
- The Government of India has decided to use cement instead of bitumen for the construction of all new road projects on the grounds that cement is more durable and cheaper to maintain than bitumen in the long run.

Highlights on End-User Industries

Infrastructure

Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries

The total infrastructure spending is expected to be about 10 per cent of Gross Domestic Product (GDP) during the 12th Five-Year Plan (2012-17), up from 7.6 per cent during the previous plan (2007-12).

India has the second largest road network across the world at 4.7 million km. This road network transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country.

Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), 133-km roads per day in 2016-17 were constructed as against a 2011-14 average of 73-km per day.

The following progressive measures are proposed.

- Ministry of Road Transport and Highways, and Shipping, has announced the government's target of ₹ 25 trillion (US\$ 376.53 billion) investment in infrastructure over a period of three years, which will include ₹ 8 trillion (US\$ 120.49 billion) for developing 27 industrial clusters and an additional ₹ 5 trillion (US\$ 75.30 billion) for road, railway and port connectivity projects.
- The Government of India has announced highway projects worth US\$ 93 billion, which include government flagship National Highways Building Project (NHDP) with total investment of US\$ 45 billion over next three years.
- The Government of India has earmarked ₹ 50,000 crore (US\$ 7.34 billion) to develop 100 smart cities across the country.

Real Estate

The real estate sector comprises four sub-sectors viz., housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP).

Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail.

In order to boost the construction of buildings in the country, the Government of India has decided to come up with a single window clearance facility to accord speedy approval of construction projects.

For the period January-September 2016, total private equity (PE) investments in the real estate sector were recorded at US\$ 4.24 billion, showing a 22 per cent increase compared to the same period last year. During the third quarter of 2016, cumulative investment in residential assets increased at 9 per cent on a quarter-on-quarter basis.

Prices

The cement prices increased by around 3% on an average during FY-17 on PAN India basis, over FY-16. Average prices in the western region reduced by around 2% in FY-17 over FY-16 due to demonetization.

Performance of the Company

1. Investment Grade External Rating for the Company

ICRA has upgraded its rating from "BBB" to A- (Stable) for Working Capital in February 2017. India Ratings & Research (Fitch Group Company) has also assigned A- (Stable) rating for similar Facilities in March 2017.

Further, ICRA has also assigned A- (Stable) rating for term loan of ₹200 crore in May 2017.

2. Recognitions for Company

Our Executive Director and CFO Smt. Bina Engineer has been conferred with the prestigious award of Best CFO of the Year 2016 in the 'Women' category by the Institute of Chartered Accountants of Indian (ICAI) for her exceptional Performance and achievements.

The Company has received the following awards during the “7th Metalliferous Mines Safety Week 2016” under the aegis of Directorate General of Mines Safety, Ahmedabad Region.

S. No.	Awards conferred to Jadua Limestone Mines:	Awarded
1	Overall Performance	First Prize
2	Publicity, Propaganda & Fire Fighting	First Prize
3	Health, Safety, Welfare & Occupational Health Check-up facilities	Second Prize
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2. ISO 14001:2004 (Environmental Management System Standard)
3. OHSAS 1800:2007 (Occupational Health & Safety Management System Standard)
4. SA 8000:2014 (Social Accountability System Certificate)
5. ISO/IEC 17025:2005 (NABL accreditation for Chemical and Mechanical Testing)

4. Sales

During the year, company achieved the following sales volume.

Sales Volume

Product	FY-17 (lac mt)	FY-16 (9 months) (lac mt)
Cement	25.30	18.00
Clinker	3.60	2.72
RMC (M ³)	0.30	0.25
Total	29.20	20.97

The gross sales for FY-17 were around ₹1232 crore. The gross sales for audited FY-16 (9 months) were ₹ 944 crore.

Gross Sales (₹ Crore)

Product	FY-17	FY-16 (9 months)
Cement Domestic	1117.27	848.24
Cement Export	37.41	30.99
Clinker Domestic	0.13	6.44
Clinker Export	69.98	50.20
RMC (M ³)	10.90	9.11
Total	1235.69	944.98

5. Costs

The comparison of costs in FY-17 has been made over FY-16 (9 months).

- The raw material cost per tonne of production has reduced by around 8%. In FY16, Company had purchased clinker from outside to cater to the heavy cement orders.
- Average power and fuel cost per tonne of production has increased by 3%.
This fuel cost was constantly monitored and optimized through blending of fuel where lignite proportion was enhanced. The total power consumption in the process was reduced marginally.
The Company generated 331 Million units in Thermal Power Plant of which it sold 58.5 Million units during the year.
- Overall, selling and distribution cost per tonne has reduced marginally by around 2%.
- Average stores, spares and packing cost per tonne of production increased by 17%.

6. Profits and Margins

- The Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of ₹ 200.44 crore in FY-17 against ₹ 153 crore in FY-16 (9 months).
The PBDIT margins remained nearly same at around 20% for FY-17 and FY-16 (9 months).
- The profit before tax and exceptional items reduced to ₹ 63 crore in FY-17 from ₹ 77 crore in FY-16 (9 months), mainly due to increase in finance cost resulting from increased borrowing. The net profit after tax was at ₹ 63 crore in FY-17 against ₹ 16 crore in FY-16 (9 months), which was because of ₹ 60 crore of exceptional expense paid on exit from CDR.

7. Internal Control Systems

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. The management maintains adequate internal financial control systems encompassing its entire business operations, statutory compliances and Financial Reports.

The Internal Audit also aims at testing the operational effectiveness of the internal financial control system and thereby facilitates an objective assurance to the Board and Audit Committee regarding the adequacy and effectiveness of the system.

8. 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.

9. Future Outlook

Considering the measures and initiatives planned and/or taken by the Central and State Governments of India on infrastructure spending, real estate development and other macro-economic issues, the Company expects a good demand for cement and stable prices.

10. Risk and Concerns

The Company has devised the Enterprise Risk Management system which is periodically reviewed. The key areas of risk are as under.

- Due to seasonal and cyclical nature of the cement industry, variation in cement prices and volumes cannot be ruled out.
- Company requires heavy use of fuel such as lignite, imported coal and pet coke, as key fuel in the production process as well as for generation of power. Therefore, it is heavily exposed to the volatility in the fuel prices and foreign exchange fluctuation.
- Any adverse variation in prices of other inputs, changes in tax structures, may not be possible to be passed on to the customer fully.

11. 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. The Composition of the Board is in conformity with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition and category of Directors as on 31st March, 2017 is as under:

Sl. No.	Category	Name of Director
I.	Executive	Shri Ravi Sanghi – Chairman and Managing Director (Promoter) Shri Aditya Sanghi – Whole-time Director (Promoter) Shri Alok Sanghi - Whole-time Director (Promoter) Smt. Bina Engineer – Whole-time Director Shri N. B. Gohil – Whole-time Director
II	Non-Executive	Shri Sadashiv Sawrikar Shri T. M. Jagan Mohan Shri R. K. Pandey, Shri D. B. N. Rao Shri D. K. Kambale Shri M. K. Doogar

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.

During the year ended on 31st March, 2017, Four (4) Board Meetings were held on 25th May, 2016, 12th August, 2016, 8th November, 2016 and 30th January, 2017. The Company has observed the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 allowing a maximum time gap of one hundred and twenty days between the two Board Meetings.

The details of record of attendance of Directors at Board Meetings and last AGM and Directorships of Public Limited Companies and Membership/Chairmanship of Board Committees in other Companies are as follows:

Names 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	1	-	-
Shri Aditya Sanghi	4	No	4	-	-
Shri Alok Sanghi	4	No	4	-	-
Smt. Bina Engineer	4	No	1	-	-
Shri N. B. Gohil	4	No	1	-	-
Shri Sadashiv Sawrikar	4	Yes	1	-	-
Shri T. M. Jagan Mohan	4	Yes	-	-	-
Shri R. K. Pandey	4	No	7	5	2
Shri D. K. Kambale	4	No	2	-	-
Shri D. B. N. Rao	4	No	3	-	-
Shri M. K. Doogar	3	No	7	11	4
Shri Jayesh Desai *	3	No	-	-	-

*Appointed as Nominee Director w.e.f. 25th May, 2016 and ceased to be the Nominee Director w.e.f. 20th February, 2017.

** Excludes alternate directorships/directorships of private companies, foreign companies and companies under Section 8 of Companies Act, 2013.

Includes only Audit Committee and Stakeholders Relationship Committee.

The Board of the Company comprises of a optimum combination of Executive, Non - Executive and Independent Directors. Shri Aditya Sanghi and Shri Alok Sanghi Executive Directors of the Company are sons of Shri Ravi Sanghi, Chairman and Managing Director. Apart from that none of the other Directors on the Board have any relation with the other Directors on the Board.

Familiarization Programme:

In order to enable the Independent Directors of the Company to fulfill their role in the Company and to keep them updated, various presentations are made on business models, business opportunities, new initiatives taken by the Company, changes taking place in the Industry scenario etc. The details of the familiarization programme of Independent Directors of the Company is available on the website of the Company at the following link: www.sanghicement.com/independent-director

Shareholding of Non-Executive Directors as on 31st March, 2017 is as follows:

Name of Directors	Number of Equity Shares of ₹ 10/- each of the Company.
Shri Sadashiv Sawrikar	NIL
Shri R. K. Pandey	NIL
Shri D. K. Kambale	NIL
Shri T. M. Jagan Mohan	NIL
Shri D. B. N. Rao	NIL
Shri M. K. Doogar	NIL

3. Committees of the Board of Directors:

a. Audit Committee:

The Constitution, Powers, Role and Terms of references of the Audit Committee are as required under Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief description of Terms of Reference:

The brief outline of the terms of reference is as under:

- The recommendation for appointment, remuneration and terms of appointment of Statutory and Internal Auditors of the company;
- To review and monitor the Auditors' independence, scope, performance and effectiveness of audit process and their reports and discussion on significant findings and follow up thereon;
- To review internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower Mechanism;
- Scrutiny of loans, advances and investments, valuation of undertakings or assets of the Company, wherever it is necessary and to approve the transactions of the Company with related parties and any subsequent modification thereto;
- To review the quarterly (un-audited) and annual financial statements before the same are submitted to the Board and 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 the management of funds, application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board and to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, if any;
- To carry out any other function that relates to accounts and audit of the Company.

During the year ended 31st March, 2017, the Committee meetings were held on 25th May, 2016, 12th August, 2016, 8th November, 2016 and 30th January, 2017. The composition, names of members and record of attendance during the year, is as under:

Name of Audit Committee Members	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman	4	4
Shri T. M. Jagan Mohan, Member	4	4
Shri R. K. Pandey, Member	4	4

The Chairman & Managing Director and Executive Directors & Chief Financial Officer are the permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary of the Committee and the representatives of the Statutory Auditors attend the Audit Committee Meetings as invitees as and when required to provide the necessary inputs to the Committee.

The maximum time gap between any two committee meetings was less than 120 days.

All the members of the Audit Committee are Independent Directors of the Company and the constitution of the Committee is in compliance of the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Business Operations and Finance Committee:

Looking to the business requirements and smooth monitoring of the business activities, the Board of Directors had constituted "Business Operations and Finance Committee".

Brief description of Terms of Reference:

The terms of reference of Business Operations and Finance Committee is as under:

- To review the adequacy of term debt, fund based and non-fund based borrowings and all banking arrangements and cash management and to approve any modification, addition and reduction of the same.
- To make application for new loans and facilities, negotiate and finalize the terms, acceptance of 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 Acknowledgment of Debts, Revival Letters, to negotiate, deal, and make settlement with Lenders, 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 review and approve short term and long term investment transactions, including deployment of surplus funds in various instruments.
- To review and approve from time to time various business arrangements, projects, purchase of equipments and apparatus for the existing and new business.
- To approach and negotiate with various debtors and creditors with proposals to settle the outstanding dues etc., and to approve the execution of any type of payment arrangement with the consenting parties 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.
- To open, operate and close bank accounts with various Banks as may be necessary from time to time and to delegate authority to any of the officials of the Company to open, operate and conduct all required banking transaction including issue, negotiate and receive cheques, bills of exchanges, letter of credit, promissory notes, hundies etc. and close the banking accounts so opened and execute necessary documents to open, operate and close the bank accounts, subject to such ceiling as Committee may in its discretion decide for the transactions to be entered into by such officials of the Company.
- To make and submit whether by Committee itself or delegate authority to the officials of the Company various representations, applications, agreements etc., as may be necessary from time to time with various Banks and Financial Institutions including Letters of Credits, Amendments to Letters of Credit etc., among others for availing financial assistance - long term and short term including working capital proposals, restructuring of the said financial assistance etc.
- To make and submit whether by committee itself or to delegate authority to the officials of the Company to apply for various telephone, telex and facsimile, internet connections etc., to the Department of Telecommunications or to the Private Telephone Operators etc.
- To enter and/or to delegate authority to officials of the Company for entering into all sorts of business agreements, contracts with the parties for procurement of machineries, equipments, godowns, warehouses, stockyards, opening of branch office, representative office, to set up packing and storage facilities to construct terminals etc.
- To file, defend and to grant and delegate authority to the officials of the Company to file and defend various legal cases as may be necessary from time to time for recoveries of monies due to the Company or as may be filed

against the Company including the powers to engage counsel and submit evidence both oral and written in this regard subject to obtaining the approval of the Board for defending important and vital legal disputes.

- To grant and delegate authority to the Officials of the Company to represent the Company before Central Excise and Customs, Sales Tax, Municipal and Local Government authorities, Income Tax authorities, Reserve Bank of India and Court of Law and any other judicial body and such other Governmental/Non-Governmental/Quasi Governmental authorities as may be necessary from time to time on behalf of the Company.
- To make contributions to any charitable or religious or political purposes as may be permissible from time to time subject to the various provisions of various laws as may be in force or to delegate authority to any officials of the Company in this regard subject to such restrictions laid down by the various laws.

During the year ended 31st March, 2017, the Committee meetings were held on 25th May, 2016, 12th August, 2016, 8th November, 2016 and 22nd March, 2017. The composition, names of members and record of attendance during the year, consisting of Directors, is as under:

Name of Business Operations and Finance Committee Members	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman	4	4
Shri Ravi Sanghi, Member	4	4
Smt. Bina Engineer, Member	4	4

The Company does not pay any sitting fees to the members for attending the Business Operations and Finance Committee meetings.

c. Nomination and Remuneration Committee:

The Constitution, Powers, Role and Terms of reference of the Nomination and Remuneration Committee are as required under Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The brief terms of references of the Nomination and Remuneration Committee is outlined as under:

Brief description of Terms of Reference:

The brief terms of references of the Nomination and Remuneration Committee is outlined as under:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal and shall carry out evaluation of Directors' performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director; and
- To recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

During the year ended 31st March, 2017, the Nomination and Remuneration Committee meeting was held on 25th May, 2016. The composition, names of members and record of attendance during the year, consisting of Directors, is as under:

Name of Nomination and Remuneration Committee Members	No. of Meetings held	No. of Meetings attended
Shri D. K. Kambale, Chairman	1	1
Shri T. M. Jagan Mohan, Member	1	1
Shri Sadashiv Sawrikar, Member	1	1

All the members of the Nomination and Remuneration Committee are Independent Directors and the composition of the Committee is in compliance of provisions of Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation:

The performance of the Independent Directors is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board/Committee meetings attended, time devoted to the Company, his participation in the Board/Committee meetings etc. The performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Director, the Director who was subject to the evaluation did not participate.

Remuneration Policy:

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees which was approved by the Board and is annexed with the Directors' Report.

d. Stakeholders Relationship Committee:

In terms of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee of the Company is in place. The terms of reference of the Stakeholders Relationship Committee are as under:

Brief description of Terms of Reference:

The Committee oversees redressal of grievances of shareholders 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.

The composition, names of members and record of attendance during the year, consisting of Directors, is as under:

Name of Stakeholders Relationship Committee Members	No. of Meetings held	No. of Meetings attended
Shri T. M. Jagan Mohan, Chairman	15	15
Shri Sadashiv Sawrikar, Member	15	15
Shri Ravi Sanghi, Member	15	15

The Chairman of the Stakeholders Relationship Committee is an Independent Director of the Company.

The Company does not pay any sitting fees to the members for attending the Stakeholders Relationship Committee meetings.

e. Corporate Social Responsibility Committee:

As required under Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility committee of the Company is adequately constituted. The terms of references of the Corporate Social Responsibility Committee is outlined as under:

Brief description of Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- To recommend an amount of expenditure to be incurred on the activities as referred in Corporate Social Responsibility Policy of the Company;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

During the year ended 31st March, 2017, the Committee meetings were held on 25th May, 2016 and 30th January, 2017. The composition, names of members and record of attendance during the year, consisting of Directors, is as under:

Name of Corporate Social Responsibility Committee Member	No. of Meetings held	No. of Meetings attended
Shri R. K. Pandey, Chairman	2	2
Shri Aditya Sanghi, Member	2	2
Shri N. B. Gohil, Member	2	2

The Chairman of the Corporate Social Responsibility Committee is an Independent Director of the Company.

f. Risk Management Committee:

The Company has in place a committee known as “Risk Management Committee”. The brief terms of reference of the Committee are as under:

Brief description of Terms of Reference:

- To consider, review and recommend the Risk Management Policy, guidelines, processes and practices of the Company;
- To ensure that the Company is taking the appropriate measures to achieve balance between the risk and reward in ongoing and new business activities;
- To evaluate significant risk exposures of the Company and assess management’s actions to mitigate the exposures in a timely manner;
- To coordinate its activities with the Audit Committee in instances of overlap with audit activities;
- To provide periodical reports/recommendations to the Board of Directors; and
- To adopt best method in the interest of the Company to deal with different kinds of risks being confronted by the Company.

The composition and names of members of Risk Management Committee is as under:

1. Shri Sadashiv Sawrikar, Chairman
2. Shri Ravi Sanghi, Member
3. Shri N.B. Gohil, Member

However as per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is not mandatorily required to constitute a Risk Management Committee.

g. Independent Directors’ Meeting:

As per the provisions of the Schedule IV of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non-Independent Directors. During the year under review, one meeting of the Independent Directors was held on 30th January, 2017. At the Meeting the Independent Directors reviewed the performance of the Non-Independent Directors (including the chairman) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management. The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company and the Management.

4. Managerial Remuneration:

The Managing Director/Executive Director(s) are paid remuneration in accordance with the approval of the Board and of the Company in General Meeting and such other approvals as may be required. 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. 01.09.2015	Five Years w.e.f. 06.09.2012	Five Years w.e.f. 06.09.2012	Three Years w.e.f. 06.09.2016	Three Years w.e.f. 22.12.2014
Salary and Commission	As per the approval of the shareholders				
Perquisites	As per the approval of the shareholders and 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 V of Companies Act, 2013.				
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 Statement of Profit and Loss during the year ended 31st March, 2017 towards salary of Chairman & Managing Director and Executive Director(s) are as follows:

(₹ in Lacs)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Salary and Allowances	150.00	350.00
Perks	0.40	1.58
Commission	56.78	85.17
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 year 2016-2017.

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 each meeting of the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Risk Management Committee of Directors and for attending the Independent Directors Meeting.

During the year ended 31st March, 2017, the Company has paid the following amount towards sitting fees and incidental expenses to the Directors for attending the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Risk Management Committee/Independent Directors Meetings:

Name of Director	Sitting Fees Amount (₹)	Incidental Expenses (₹)	Total Amount (₹)
Shri Sadashiv Sawrikar	45000	30000	75000
Shri T. M. Jagan Mohan	45000	30000	75000
Shri R. K. Pandey	49500	33000	82500
Shri D. K. Kambale	27000	18000	45000
Shri D. B. N. Rao	22500	15000	37500
Shri M. K. Doogar	18000	12000	30000
Shri Jayesh Desai	13500	9000	22500

Sanghi Industries Limited

5. Subsidiary Companies:

The Company has incorporated a wholly-owned subsidiary company "Sange Testing Service (Sanghai) Co. Ltd.' at Shanghai, China. However, the Company has not invested any funds till date in the said subsidiary company.

6. Particulars for Investors:

Name and Designation of Compliance Officer:

Shri Anil Agrawal - Company Secretary

E-mail: companysecretary@sanghiment.com

The Company has established In-house electronic connectivity with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for share transfer registry work. All Share Transfer/Demat are being processed in-house by the Company.

The Company had generally attended to all complaints/queries of investors within a period of 14-21 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 31st March, 2017, 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.

The status of the Investors' complaints during the Financial Year 2016-17 are as under:

Investor Complaints during FY 2016-17	No. of Complaints
Pending at the beginning of the Financial Year 2016-17 i.e. 01/04/2016	0
Received during the Financial Year 2016-17	5
Disposed of during the Financial Year 2016-17	5
Remaining unresolved at the end of the Financial Year 2016-17 – 31/03/2017	0

7. General Body Meetings:

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

Year	Type of Meeting	Date	Venue	Time	No. of Special Resolutions passed
2014	AGM	22.09.2014	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511	10.30 a.m.	4
2015	AGM	14.11.2015	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511	11.00 a.m.	6
2016	AGM	09.07.2016	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511	11.00 a.m.	1

No Special Resolution requiring a postal ballot was passed during the Financial Year 2016-17.

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 38 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 corporate governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Disclosure of Accounting Treatment:

In preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

- Board Disclosures – Risk management:

The business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.

- Policy on Related Party Transaction:

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.sanghiment.com/policies

- Whistle Blower Policy:

In accordance with the requirements of Section 177 (9) of the Companies Act, 2013 read with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy approved by the Board. As per the Policy in force, no person irrespective of the status or level is denied the access to the Audit Committee. The said policy is also posted on the website of the Company i.e. www.sanghiment.com/policies.

9. Means of Communication:

A. Financial Results:

The Quarterly, Half yearly and Annual Results are published in widely circulated national and local dailies such as Financial Express and Vaartha and are displayed on the website of the Company www.sanghiment.com/investors-relations

B. News Releases, Presentations etc:

Official News releases, press releases and presentation made to the Analysts, Institutional Investors etc. are displayed on the website of the Company www.sanghiment.com/investors-relations.

C. Website:

The Company's Website www.sanghiment.com contains a separate dedicated section namely "Investors' Relations" where the useful information for the Shareholders is available.

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.

II. General Shareholder Information

Annual General Meeting Day, Date, Time and Venue	: Saturday, the 24th June, 2017 at 10.00 a.m. at Sanghinagar P.O. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511
Financial Year/Calendar	
• Results for first quarter ending 30 th June, 2017	: On or before 14 th August, 2017
• Results for second quarter ending 30 th September, 2017	: On or before 14 th November, 2017
• Results for third quarter ending 31 st December, 2017	: On or before 14 th February, 2018
• Results for fourth quarter ending 31 st March, 2018	: On or before 30 th May, 2018
Registered Office	: Sanghinagar P.O. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511
Phone, Fax, E-mail	: Phone: 08415 – 242240 Fax: 08415 – 242239 E-mail: companysecretary@sanghicement.com
Plant Location	: Sanghipuram, Village Motiber, Taluka Abdassa, District Kutch, Gujarat – 370 511
Registrar & Transfer Agent (RTA)	: The Company has established In-house electronic connectivity with NSDL & CDSL for Share Transfer Registry Work. All Share Transfer/Demat are being processed completely In-house by the Company. Address for Correspondence: Registered office of the Company
Address for Investors Correspondence	: To the Company at its registered office address
Listing on Stock Exchanges	: BSE Limited (BSE) : Phiroze Jeejeebhoy Towers, : Dalal Street, Mumbai – 400 001 : and National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/I, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Payment of Annual Listing Fee	: Annual Listing Fee for the year 2017-18 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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for 2016-17:**

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	April-2016	79.25	60.80	79.40	59.25
2	May	75.75	64.25	75.50	64.60
3	June	76.40	66.30	76.45	65.80
4	July	74.50	67.00	75.30	64.50
5	August	90.75	66.80	90.90	66.50
6	September	83.50	67.00	83.55	67.00
7	October	78.75	65.70	78.80	65.70
8	November	73.90	51.00	73.90	50.85
9	December	60.00	46.20	59.90	47.05
10	January - 2017	63.30	49.90	63.45	49.00
11	February	68.50	58.00	68.70	57.65
12	March	76.00	60.60	75.90	60.50

- **Distribution of Shareholding as on 31st March, 2017:**

Slab (No. of Shares)	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	14157	77.25	2371831	1.08
501 – 1000	1763	9.62	1480398	0.67
1001 – 2000	993	5.42	1595224	0.73
2001 – 3000	438	2.39	1140864	0.52
3001 – 4000	182	0.99	662589	0.30
4001 – 5000	186	1.01	890529	0.40
5001 – 10000	306	1.67	2337337	1.06
10001 – and above	302	1.65	209500228	95.24
Total	18327	100.00	219979000	100.00

- **Distribution of Equity Shareholding according to categories of shareholders as on 31st March, 2017**

Category	No. of Shares	Amount (in Rs)	% to total
Promoter & Promoter Group	16,49,40,782	164,94,07,820	74.98
Public			
a) Mutual Funds	1,10,09,500	11,00,95,000	5.00
b) Banks/FI	26,475	2,64,750	0.01
c) Foreign Portfolio Investor	3,44,018	34,40,180	0.16
d) Non-Resident Indians/OCBs	7,85,331	78,53,310	0.36
e) Others	4,28,72,894	42,87,28,940	19.49
Total	21,99,79,000	2,199,790,000	100.00

- **Share Transfer System**

The Company completes the process of transfer requests for which an average time taken for processing of share transfers is approximately 15 days from the date of receipt of request, provided the documents are found in order.

- **Dematerialization of Shares and liquidity**

The Company's shares are available for trading in both the Depository Systems i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31st March, 2017, 99.54% of the Equity Share Capital, representing 21,89,76,320 shares were held in depository mode.

- **Investor Relations:**

All the queries received from shareholders during the year ended 31st March, 2017 have been responded. 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 72 of the Companies Act, 2013, are requested to submit their request to the Company's Share section at its registered office in the prescribed Form SH-13 for this purpose, which can be obtained by writing to the Company Secretary at its registered office address.

- **CEO/CFO Certification**

The Chairman and Managing Director/Chief Financial Officer of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairman and Managing Director/the Chief Financial Officer also give quarterly certification on financial results to the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Declaration:**

Pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and according to the information provided/available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2016-2017. The Code of Conduct is also posted on the website of the Company www.sanghiment.com/policies.

For and on behalf of the Board

Place: Ahmedabad
Date: 24th May, 2017

Ravi Sanghi
Chairman & Managing Director

Annexure II

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In terms of Section 178 of the Companies Act, 2013 read with the applicable rules thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee recommended the policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company which was approved and adopted by the Board of Directors of the Company.

Objectives:

- To provide guidance to the Board for appointment and removal of Directors, KMP and Senior Management;
- To formulate criteria for performance evaluation of Directors, KMP and Senior Management and to provide necessary evaluation report to the Board; and
- To recommend to the Board remuneration payable to the Directors, KMP and Senior Management.

Role of Nomination and Remuneration Committee:

The Committee shall perform the role for following matters:

Criteria for Appointment of Director:

- To determine the age, qualifications, qualities, skills, positive attributes and independence of a director and other expertise required to be a Director.

Nomination of directors:

- Identifying, screening and reviewing candidates qualified to be appointed as Executive Directors, Non-Executive Directors and Independent Directors.
- Recommending to the Board candidature for appointment or re-appointment of Directors; and
- The Nomination Committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board of Directors. The Committee will review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it deem fit and appropriate, passing on the recommendations for the nomination to the Board.

Evaluation of Director:

- The Committee develops, subject to approval by the Board, a process for an annual evaluation of the performance of the Board, the individual directors on the basis of detailed performance parameters set for directors at the beginning of the year.
- The Committee may, from time-to-time, also evaluate the usefulness of such performance parameters, and make necessary amendments.

Consultative role:

- The Nomination Committee plays a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for top management positions such as that of the Manager, Chief Financial Officer and Company Secretary. It provides its advice and recommendations to the Board.

Evaluation of KMP and Senior Management:

- The committee shall annually review and approve for the KMP and Senior Management the corporate goals and objectives applicable to them, evaluate at least annually their performance in light of those goals and objectives, and determine and approve their (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) any other benefits, compensation or arrangements, based on this evaluation.

- The Committee may also make recommendations to the Board with respect to incentive compensation plans. The committee may review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.

Duties of Nomination and Remuneration Committee:

A. The duties of the Committee in relation to nomination matters include:

- To ensure that appropriate induction and training programme are in place for new Directors and members of Senior Management and to periodically review its effectiveness;
- To ensure that on appointment, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- To determine the appropriate size, diversity and composition of the Board;
- To identify and recommend names of Directors who are to retire by rotation;
- To set up a formal and transparent procedure for selecting Directors for appointment to the Board;
- To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- To develop a succession plan for the Board and Senior Management and to regularly review the plan;
- To recommend necessary changes in the Board;
- To delegate any of its powers to the members or the Secretary of the Committee; and
- To consider any other matters as may be requested by the Board.

B. The duties of the Committee in relation to remuneration matters include:

- To determine the Remuneration Policy and while designing the remuneration package it must consider that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- To ensure that the remuneration to Directors, KMP and Senior Management of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- To delegate any of its powers to the members or the Secretary of the Committee; and
- To consider any other matters as may be requested by the Board.

For and on behalf of the Board

Place: Ahmedabad
Date: 24th May, 2017

Ravi Sanghi
Chairman & Managing Director

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581
Sanghi Nagar, P.O. Hayatnagar Mandal,
Ranga Reddy District,
Telangana – 501511.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANGHI INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 - Not Applicable as the Company has not issued any Shares/options to the Directors /Employees under the said Regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued any debt securities during the year under review;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - The Company has established In-house electronic connectivity with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for Share Transfer Registry Work. All Share Transfer/Demat work are being processed In-house by the Company.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2008 - Not Applicable as the Company has not bought – back any of its securities during the year under review; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards/Clauses/Regulations of the following:

- (i) Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

During the period under review, the Company has generally complied with all the material aspects provisions of the applicable Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

Having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test-check basis, the Company has generally complied with the material aspects of the following laws specifically applicable to the Company being engaged in the Cement Industry:

1. The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004
2. India Boiler Act, 1923 read with Gujarat Boiler Rules, 1966
3. The Petroleum Act, 1934
4. Mines Act, 1952
5. The Mines and Mineral (Development and Regulations) Amendment Act, 2015
6. Mineral Conservation and Development (Amendment) Rules, 2016
7. Explosive Rules, 2008
8. Ammonium Nitrate Rules, 2012
9. Mineral (Auction) Rules, 2015
10. The Minerals (Evidence of Mineral Contents) Rules, 2015
11. Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 2008
12. Bio-Medical Waste (Manufacturing and Handling) Rules, 2008

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. The changes in the composition of Board that took place during the period under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings at least seven days in advance. Agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate placed before the Board Meeting, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, Factories Act, 1948, Environmental Laws, The Trade Marks Act, 1999, The Indian Copyright Act, 1957, The Patents Act, 1970.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

We further report that:

During the Audit period under review, there were no instances of:

- (a) Public/Right issue of shares/debentures/sweat equity, etc.
- (b) Redemption/buy-back of securities.
- (c) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013.
- (d) Merger/amalgamation/reconstruction etc.
- (e) Foreign technical collaborations.

**For Parikh Dave & Associates
Company Secretaries**

**Place: Ahmedabad
Date: May 18, 2017**

**Umesh G. Parikh
Partner
FCS No. 4152 C P No. 2413**

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

ANNEXURE - A

To,

The Members,

SANGHI INDUSTRIES LIMITED

CIN: L18209TG1985PLC005581

Sanghi Nagar, P.O. Hayatnagar Mandal,

Ranga Reddy District,

Telangana – 501511.

Our report of even date is to be read along with this letter

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

**For Parikh Dave & Associates
Company Secretaries**

**Place: Ahmedabad
Date: May 18, 2017**

**Umesh G. Parikh
Partner
FCS No. 4152 C P No. 2413**

Annexure IV

**DISCLOSURE UNDER SECTION 197 (12) AND RULE 5 (1) OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) **Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31st March, 2017;**

Sl. No..	Director	Remuneration (₹ in lacs P.A.)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	207.18	5.57	37
2.	Shri Aditya Sanghi	128.79	5.57	23
3.	Shri Alok Sanghi	128.79	5.57	23
4.	Smt. Bina Engineer	128.79	5.57	23
5.	Shri N. B. Gohil	50.40	5.57	9

- (ii) **The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year;**

Sl. No..	Name	Designation	% Increase
1.	Shri Ravi Sanghi	Chairman and Managing Director	Nil
2.	Shri Aditya Sanghi	Whole-time Director	Nil
3.	Shri Alok Sanghi	Whole-time Director	Nil
4.	Smt. Bina Engineer	Whole-time Director and Chief Financial Officer	Nil
5.	Shri N. B. Gohil	Whole-time Director	Nil
6.	Shri Anil Agrawal	Company Secretary	8%

The other Directors are Non Executive Directors and are 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 each meeting of the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Risk Management Committee of Directors and for attending the Independent Directors meeting. There is no increase in said sitting fees during the financial year 2016-17.

- (iii) **The percentage increase in the median remuneration of employees in the financial year: 2.59%**

- (iv) **The number of permanent employees on the rolls of company:**

774 Employees.

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in salaries of employees other than managerial personnel in 2016-17 was 3.31% percentage increase in the managerial remuneration for the year was NIL.

- (vi) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board

Place: Ahmedabad
Date: 24th May, 2017

Ravi Sanghi
 Chairman & Managing Director

ANNEXURE V

ANNUAL REPORT ON CSR ACITIVITIES

1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The company has framed the Corporate Social Responsibility (CSR) policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the weblink www.sanghiment.com/policies. The CSR policy enumerating the CSR Activities/projects/programmes undertaken/to be undertaken by the Company is in accordance with the provisions of Schedule VII of the Companies Act, 2013

2. **Composition of CSR Committee.**

Our CSR Committee comprises of following members:

- (a) Shri R. K. Pandey, Chairman
- (b) Shri Aditya Sanghi, Member
- (c) Shri N. B. Gohil, Member

3. **Average net profit of the Company for the past three years:**

The average net profit is as detailed below:

Particulars	(₹ In Crore)
Average net profits for last three financial years	45.49

4. **Prescribed CSR expenditure:**

Prescribed CSR expenditure is as detailed below:

Particulars	(₹ In Crore)
Prescribed CSR expenditure (2% of ₹ 45.49 Crore)	0.91

5. **Details of CSR spent during the financial year 2016-17.**

Particulars	(₹ In Crore)
(a) Total amount spent during the year	1.43
(b) Amount unspent if any	Nil

(c) Manner in which the amount is spent during the financial year is detailed below:

(Amount in ₹)							
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: 1) Local Area or other 2) Specify the state and district where the project or program was undertaken	Amount outlay (Budget) project or programs wise (Rs)	Amount spent on the projects or programs sub-heads: 1) (Direct Expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1.	Animal Welfare Activity	Animal Welfare	Kutch, Gujarat	50,000	54,640	54,640	Direct
2.	Green Belt development	Ensuring the environmental sustainability, ecological balance and Protection of flora and fauna	Kutch, Gujarat	1,25,00,000	1,24,66,530	1,25,21,170	Trust/Direct

(Amount in ₹)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: 1) Local Area or other 2) Specify the state and district where the project or program was undertaken	Amount outlay (Budget) project or programs wise (Rs)	Amount spent on the projects or programs sub-heads: 1) (Direct Expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
3.	Construction of House for widow	Setting up homes and hostels for women	Champua, Orissa	1,00,000	1,00,000	1,26,21,170	Direct
4.	Donation to Ahmedabad Frolic Round Table 199 Trust	Community Development	Ahmedabad, Gujarat	2,00,000	2,00,000	1,28,21,170	Trust
5.	Donation to Ramvada Trust	Community Development	Kutch, Gujarat	51,000	51,000	1,28,72,170	Trust
6.	Donation to Akshaya Patra for sponsoring mid day meals for 205 students	Eradicating hunger, poverty and malnutrition	Across India	1,50,000	1,53,750	1,30,25,920	Direct
7.	Scholarship to village students	Promoting education, including special education and employment enhancing vocation skills	Kutch, Gujarat	30,000	30,000	1,30,55,920	Direct
8.	Joseph's Sponsorship towards senior citizens	Setting up of old age homes, day care centers and such other facilities for senior citizens	Ahmedabad, Gujarat	1,00,000	1,05,000	1,31,60,920	Direct
9	Shree Matana Madh Devi Pilgrim Seva Camp	Community Development	Kutch, Gujarat	1,50,000	1,44,801	1,33,05,721	Direct
10.	Dada Dadi Park	Setting up of old age homes, day care centers and such other facilities for senior citizens	Kutch, Gujarat	1,00,000	98,752	1,34,04,473	Direct
11.	Sports expenses	Promoting Sports	Kutch, Gujarat	20,000	17,660	1,34,22,133	Direct
12.	Swachh Bharat Abhiyan	Promoting health care and sanitation	Kutch, Gujarat	9,00,000	8,75,000	1,42,97,133	Direct
				1,43,51,000	1,42,97,133	1,42,97,133	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report. **Not Applicable**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the Board

Place: Ahmedabad
Date: 24th May, 2017

R. K. Pandey
Chairman – CSR Committee

Ravi Sanghi
Chairman & Managing Director

Annexure – VI

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURNas on financial year ended on 31st March, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	LI8209TG1985PLC005581
ii	Registration Date	14/06/1985
iii	Name of the Company	Sanghi Industries Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/India Non-Government Company
v	Address of the Registered office & contact details	Sanghinagar P.O., Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511, Tel. No. 08415 – 242240, Fax No. 08415- 242239
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any. (Note -I)	Sanghi Industries Limited, Sanghinagar P.O., Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511, Tel. No. 08415 – 242240, Fax No. 08415- 242239

Note-I

The Company has established In-house electronic connectivity for Share Transfer Registry Work with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All activities in relation to both Physical and electronic share transfer facility is maintained In-house by the Company itself.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
I	Ordinary Portland and Portland Pozzolana Cement	2394	93.64%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held *	Applicable Section
I	Sange Testing Service (Sanghai) Co. Ltd. Room 2009, 2nd floor, No.131, Fute North Road, Free Trade Zone. Shanghai. China	N.A.	Subsidiary		2(87)

*The Company has incorporated a wholly-owned subsidiary company at China. However the company has not invested any funds till date in the said subsidiary company.

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity)

i) Category - wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	81585750	1000000	82585750	37.54	81580750	1000000	82580750	37.54	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	82360032	-	82360032	37.44	82360032	-	82360032	37.44	-
d) Bank/FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	163945782	1000000	164945782	74.98	163940782	1000000	164940782	74.98	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	163945782	1000000	164945782	74.98	163940782	1000000	164940782	74.98	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	12053433	-	12053433	05.48	11009500	-	11009500	05.00	-0.47
b) Banks/ FI	35677	-	35677	00.02	26475	-	26475	00.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	944714	-	944714	00.43	-	-	-	-	-0.43
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(a) Alternate Investment Funds	870184	-	870184	00.40	-	-	-	-	-0.40
(b) Foreign Portfolio Investor	150000	-	150000	00.07	344018	-	344018	00.16	0.09
SUB TOTAL (B)(1):	14054008	-	14054008	6.39	11379993	-	11379993	5.17	-1.22
(2) Non Institutions									
a) Bodies corporates									
i) Indian	28058921	4880	28063801	12.76	26414159	-	26414159	12.01	-0.75
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	7169054	9400	7178454	03.26	10615823	2680	10618503	04.83	1.56
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	4877571	-	4877571	02.22	5451306	-	5451306	02.48	0.26
c) Others (specify)	-	-	-	-	-	-	-	-	-
NRI	625513	29775	655288	00.30	785331	-	785331	00.36	0.06
Clearing Members	204096	-	204096	00.09	388926	-	388926	00.18	0.08
Trust	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	40935155	44055	40979210	18.63	43655545	2680	43658225	19.85	1.22
Total Public Shareholding (B) = (B)(1) + (B)(2)	54989163	44055	55033218	25.02	55035538	2680	55038218	25.02	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	218934945	1044055	219979000	100.00	218976320	1002680	219979000	100.00	-

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	164945782	74.98	164945782	74.98
	Increase/Decrease in Promoters Shareholding during the year - Sold in the open market by Mr Gireesh Kumar Sanghi - on 26.08.2016	-5000	-	164940782	74.98
2	At the end of the year	164940782	74.98	164940782	74.98

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Balaji Voyage Private Limited	8430919	3.83	8430919	3.83
2	Shreenathji Voyage Private Limited	6994587	3.18	6994587	3.18
3	Navdurga Voyage Pvt. Ltd.	5171787	2.35	-	-
4	Reliance Capital Trustee Co. Ltd - A/c Reliance Mid & Small Cap Fund	3965642	1.80	4078042	1.85
5	Aavishkar Investors Services Private Limited	3562654	1.62	3557750	1.62
6	Reliance Capital Trustee Co. Ltd - A/c Reliance Small Cap Fund	2552804	1.16	2198679	1.00
7	KMS Construction Pvt. Ltd.	2035935	0.93	2003491	0.91
8	Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Midcap Fund	1828194	0.83	2538194	1.15
9	IMSF (Mauritius) Limited	900043	0.41	-	-
10	IIFL Best of Class Fund I - Class 2	870184	0.40	-	-
11	Ecap Equities Limited	-	-	750477	0.34
12	Edelweiss Custodial Services Limited	-	-	712265	0.32
13	Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Emerging Leaders Fund – Series I	697585	0.32	697585	0.32

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No	For Each of Director and Key Managerial personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Ravi Sanghi, Chairman and Managing Director				
	At the beginning of the year	36062150	16.39	36062150	16.39
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	36062150	16.39	36062150	16.39
2	Shri Aditya Sanghi, Whole-time Director				
	At the beginning of the year	2889500	1.31	2889500	1.31
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	2889500	1.31	2889500	1.31

Sl. No	For Each of Director and Key Managerial personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	Shri Alok Sanghi, Whole-time Director				
	At the beginning of the year	2889500	1.31	2889500	1.31
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	2889500	1.31	2889500	1.31
4	Smt. Bina Engineer, Whole-time Director & CFO				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
5	Shri N. B. Gohil, Whole-time Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
6	Shri Sadashiv Sawarikar, Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
7	Shri T. M. Jagan Mohan, Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
8	Shri D. K. Kambale, Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
9	Shri D. B. N. Rao, Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
10	Shri R. K. Pandey, Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
11	Shri M. K. Doogar, Director				
	At the beginning of the year	-	-	-	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	-	-	-	-
12	Shri Anil Agrawal, Company Secretary				
	At the beginning of the year	100	-	100	-
	Decrease/Increase in shareholding	-	-	-	-
	At the end of the year	100	-	100	-

V INDEBTEDNESS

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

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	5,428,298,311	-	-	5,428,298,311
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,535,674	-	-	5,535,674
Total (i + ii + iii)	5,433,833,985	-	-	5,433,833,985
Change in Indebtedness during the financial year				
Additions	1,485,843,462	-	-	1,485,843,462
Reduction	2,137,182,694	-	-	2,137,182,694
Net Change	(651,339,232)	-	-	(651,339,232)
Indebtedness at the end of the financial year				
i) Principal Amount	4,780,250,265	-	-	4,780,250,265
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,244,488	-	-	2,244,488
Total (i + ii + iii)	4,782,494,753	-	-	4,782,494,753

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time director and/or Manager:**

(in ₹)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
I	Gross salary	Shri Ravi Sanghi, Chairman and Managing Director	Shri Aditya Sanghi, Whole-time Director	Shri Alok Sanghi, Whole-time Director	Smt. Bina Engineer, Whole-time Director & CFO	Shri N. B. Gohil, Whole-time Director	
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	15,000,000	10,000,000	10,000,000	10,000,000	5,000,000	50,000,000
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	39,600	39,600	39,600	39,600	39,600	198,000
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	5,678,127	2,839,064	2,839,064	2,839,064	-	14,195,319
	as % of profit	1.00	0.50	0.50	0.50	-	2.50
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	20,717,727	12,878,664	12,878,664	12,878,664	5,039,600	64,393,319
	Ceiling as per the Act	10% of ₹ 69.59 Crore i.e. Net Profits calculated as per Section 198 of the Companies Act, 2013					69,586,600

B. Remuneration to other directors:

(in ₹)

Sl. No	Particulars of Remuneration	Name of the Directors							Total Amount
I	Non Executive Directors	Shri Sadashiv Sawarikar	Shri T. M. Jagan Mohan	Shri R. K. Pandey	Shri D. K. Kambale	Shri D. B. N. Rao	Shri M. K. Doogar	Shri Jayesh Desai	
	(a) Fee for attending board committee meetings	45000	45000	49500	27000	22500	18000	13500	220500
	(b) Commission	-	-	-	-	-	-	-	-
	(c) Others - Incidental Expenses	30000	30000	33000	18000	15000	12000	9000	147000
	Total	75000	75000	82500	45000	37500	30000	22500	367500
	Total Managerial Remuneration								64760819
	Overall Ceiling as per the Act.	11% of ₹ 69.59 Crore i.e. Net Profits calculated as per Section 198 of the Companies Act, 2013							76,545,260

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(in ₹)

Sl. No.	Particulars of Remuneration	Shri Anil Agrawal, Company Secretary	Total
I	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	2,177,652	2,177,652
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	Total	2,177,652	2,177,652

Shri Ravi Sanghi, Chairman and Managing Director and Smt. Bina Engineer, Whole-time Director & CFO are also Key Managerial Personnel (KMP) of the Company, their Remuneration are shown in above VI(A).

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Date: 24th May, 2017
Place: Ahmedabad

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 31st March, 2017 as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/ 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
Firm Registration No.000181S

S. Brijkumar

Partner
Membership No. 19357
Ahmedabad: May 24, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanghi Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sanghi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

Sanghi Industries Limited

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules there under;
- e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in “Annexure 2”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note 36 on Contingent Liabilities to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) The Company does not have any liability which is required to be transferred to the Investor Education and Protection Fund.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management (Refer Note No. 43(7) to the financial statements);

For Ankit & Co.
Chartered Accountants
ICAI Firm Registration No.000181S

S. Brijkumar
Partner
Membership No.:019357

Place: Ahmedabad
Date: May 24, 2017

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Atul Gala
Partner
Membership No.: 048650

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sanghi Industries Limited on the financial statements for the year ended March 31, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the period, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in Crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	40.00	Various years	Customs, Excise & Service tax Appellate Tribunal
Service Tax Act	CENVAT Credit	21.46	Various years	Customs, Excise & Service tax Appellate Tribunal
Customs Act, 1962	Customs Duty	12.41	2005-10	Customs, Excise & Service tax Appellate Tribunal
Sales Tax	Sales Tax	1.76	Various years	Joint Commissioner Appeal, Rajkot

Sanghi Industries Limited

Name of the statute	Nature of dues	Amount (Rs in Crore)	Period to which the amount relates	Forum where dispute is pending
Gujarat Electricity Duty Act, 1958	Electricity duty on power Generation	3.30	Various years	Gujarat High Court
Bombay Land Revenue Code, 1879	Land Revenue on Leasehold Land	1.17	Various years	Gujarat High Court

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, governments or dues to debenture holders.
- (ix) According to the information and explanations given to us, the money raised by way of term loans have been applied by the Company for the purposes for which those are raised.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Indian accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Ankit & Co.

Chartered Accountants
ICAI Firm Registration No.000181S

S. Brijkumar

Partner
Membership No.:019357

Place: Ahmedabad

Date: May 24, 2017

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Atul Gala

Partner
Membership No.: 048650

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sanghi Industries Limited on the financial statements for the year ended March 31, 2017]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sanghi Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the

Sanghi Industries Limited

risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ankit & Co.

Chartered Accountants

ICAI Firm Registration No.000181S

S. Brijkumar

Partner

Membership No.:019357

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Atul Gala

Partner

Membership No.: 048650

Place: Ahmedabad

Date: May 24, 2017

Sanghi Industries Limited
BALANCE SHEET AS AT 31 MARCH, 2017
INR in crores

Particulars	Note	31 March, 2017	31 March, 2016	1 July, 2015
I ASSETS				
I Non-current assets				
(a) Property, plant and equipment	2	1,451.87	1,478.33	1,505.53
(b) Capital work-in-progress	2	167.13	82.35	56.34
(c) Deferred tax assets (net)	3	58.52	58.52	58.52
(d) Other non current assets	4	-	19.45	-
Total Non-current assets		1,677.52	1,638.64	1,620.40
2 Current assets				
(a) Inventories	5	186.58	138.45	137.29
(b) Financial Assets				
(i) Trade receivables	6	23.94	18.44	14.54
(ii) Bank balances	7	16.10	82.78	5.23
(iii) Cash and cash equivalents	8	0.17	0.25	0.29
(c) Current tax assets	9	7.97	50.35	50.24
(d) Other current assets	10	153.34	91.48	107.12
Total current assets		388.10	381.76	314.71
TOTAL ASSETS		2,065.62	2,020.40	1,935.11
II EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	11	219.98	219.98	219.98
(b) Other Equity	12			
(i) Equity securities premium		49.82	49.82	49.82
(ii) Capital redemption reserve		84.84	84.84	42.18
(iii) Debenture redemption reserve		13.21	-	-
(iv) Retained earnings		745.86	695.93	722.61
(v) Reserves representing unrealized gains/losses		0.27	0.44	-
(vi) Other reserves		-	-	-
Total Equity		1,113.98	1,051.01	1,034.59
2 Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	459.02	471.23	282.29
(ii) Others	14	102.58	47.40	21.89
(b) Provisions	15	48.11	54.38	38.02
Total Non-current liabilities		609.71	573.01	342.19
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	127.81	65.22	95.41
(ii) Trade payables	16	142.13	143.96	165.44
(iii) Other financial liabilities	17	20.02	73.57	164.19
(b) Deferred revenue	18	11.24	8.97	7.75
(c) Current tax liabilities	19	-	43.89	43.50
(d) Provisions	20	10.25	23.84	29.28
(e) Other current liabilities	21	30.48	36.92	52.76
Total Current Liabilities		341.94	396.38	558.33
Total liabilities		951.64	969.39	900.52
TOTAL EQUITY AND LIABILITIES		2,065.62	2,020.40	1,935.11
Significant Accounting Policy	I			
The accompanying notes I to 44 are an integral part of the Financial Statements				

As per our report of even date attached.

For Ankil & Co.
Chartered Accountants
FRN 000181S

S. Brijkumar
Partner
M. No. 19357
Place : Ahmedabad

For Haribhakti & Co. LLP
Chartered Accountants
FRN 103523W/WI00048

Atul Gala
Partner
M. No. 048650
Place : Ahmedabad

For and on behalf of the Board of Directors

Ravi Sanghi	- Chairman and Managing Director
Aditya Sanghi	- Executive Director
Alok Sanghi	- Executive Director
Bina Engineer	- Executive Director
N.B. Gohil	- Executive Director
D.K. Kambale	- Director
Sadashiv Sawrikar	- Director
D.B.N. Rao	- Director
R.K. Pandey	- Director
T.M. Jagan Mohan	- Director
M.K. Doogar	- Director
Anil Agrawal	- Company Secretary

Place : Ahmedabad
Date : May 24, 2017

Sanghi Industries Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

		INR in crores	
	Notes	For the year ended 31 March, 2017	For the period ended 31 March, 2016
Revenue			
Sale of Products		1,098.70	838.54
Other Operating Income		3.32	1.48
I. Revenue from Operations		1,102.02	840.02
II. Other income	22	2.24	1.74
III. Total Income (I+II)		1,104.26	841.76
IV. Expenses			
Cost of materials consumed	23	71.03	52.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	7.84	16.96
Power and fuel		231.04	160.45
Employee Benefits Expenses	25	52.53	38.24
Depreciation and Amortization Expenses	26	73.06	53.98
Selling Expenses	27	333.32	243.16
Other Expenses	28	208.07	177.64
Finance costs	29	64.23	22.18
Total Expenses (IV)		1,041.13	764.99
V. Profit/(loss) before Exceptional Items and Tax		63.14	76.76
VI. Exceptional Items	30	-	60.39
VII. Profit/(loss) before Tax		63.14	16.38
VIII. Tax expense:	31		
1. Current Tax		-	0.39
2. Deferred tax		-	-
IX. Profit/(Loss) for the period		63.14	15.98
X. Other comprehensive income	32		
A. Items that will not be reclassified to profit or loss		(0.17)	0.44
Income tax related to items that will not be reclassified to profit or loss		-	-
B. Items that will be reclassified to profit or loss		-	-
Income tax related to items that will be reclassified to profit or loss		-	-
		(0.17)	0.44
XI. Total comprehensive income for the period		62.97	16.42
Profit attributable to:			
Owners of the Company		63.14	15.98
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		(0.17)	0.44
Non-controlling interests		-	-
XII. Earnings per equity share (for continuing operations)	33		
1. Basic		2.87	0.73
2. Diluted		2.87	0.73
XIII. Earnings per equity share (for discontinued operations)			
1. Basic		-	-
2. Diluted		-	-
XIV. Earnings per equity share (for discontinued & continuing operations)			
1. Basic		2.87	0.73
2. Diluted		2.87	0.73
Significant Accounting Policy			
The accompanying notes 1 to 44 are an integral part of the Financial Statements			

As per our report of even date attached.

For Ankit & Co.
Chartered Accountants
FRN 000181S

S. Brijkumar
Partner
M. No. 19357
Place : Ahmedabad

Place : Ahmedabad
Date : May 24, 2017

For Haribhakti & Co. LLP
Chartered Accountants
FRN 103523W/W100048

Atul Gala
Partner
M. No. 048650
Place : Ahmedabad

For and on behalf of the Board of Directors

Ravi Sanghi	- Chairman and Managing Director
Aditya Sanghi	- Executive Director
Alok Sanghi	- Executive Director
Bina Engineer	- Executive Director
N.B. Gohil	- Executive Director
D.K. Kambale	- Director
Sadashiv Sawrikar	- Director
D.B.N. Rao	- Director
R.K. Pandey	- Director
T.M. Jagan Mohan	- Director
M.K. Doogar	- Director
Anil Agrawal	- Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

INR in crores

	31 March, 2017	31 March, 2016
I) Cash flow from continuing operations		
A Cash flow from operating activities :		
Profit before tax	62.97	16.37
Adjustments for :		
Depreciation and amortisation	73.06	53.98
Interest Income	(0.54)	(0.33)
Interest and other Financial Charges	64.23	22.18
Loss on sale of Fixed Assets	0.07	0.71
Exceptional items	-	60.39
Actuarial gains and losses (Reclassified to OCI)	-	0.44
Stores and spares reclassified for PPE	-	(11.77)
	136.82	125.60
Operating profit before working capital changes	199.79	141.97
Adjustments for :		
(Increase)/Decrease in Debtors	(5.50)	(2.66)
(Increase)/Decrease in Other Current Assets and Loans and Advances	(48.86)	(6.57)
(Increase)/Decrease in Inventories	(48.13)	4.97
Increase/(Decrease) in Other Current Liabilities and Provisions	(17.96)	14.35
Increase/(Decrease) in Trade Creditors	(1.83)	(9.53)
	(122.28)	0.56
Cash generated from operations	77.51	142.53
Income taxes paid	(1.51)	(0.11)
Net cash from operating activities	76.00	142.42
B Cash flow from investing activities :		
Purchase of fixed assets	(75.22)	(46.38)
Sale of fixed assets	0.13	0.01
Investment in Fixed Deposit with Banks	66.68	(77.56)
Interest received	0.54	0.41
Net cash used in investing activities	(7.87)	(123.52)
C Cash flow from financing activities :		
Movement in Working Capital Borrowing	62.59	12.47
Long term borrowings	148.58	284.95
Repayment of Long Term borrowings	(209.10)	(109.87)
Interest and other Financial Charges	(70.29)	(163.85)
Payment towards OCCPPS	-	(42.66)
Net cash used in financing activities	(68.22)	(18.96)
Net increase in cash and cash equivalents	(0.09)	(0.06)

Sanghi Industries Limited

INR in crores

	31 March, 2017	31 March, 2016
II) Cash flow from discontinued operations	-	-
A Net cash (used in)/from operating activities	76.00	142.42
B Net cash (used in)/from Investing activities	(7.87)	(123.52)
C Net cash (used in)/from financing activities	(68.22)	(18.96)
Net increase (/decrease) in cash and cash equivalents (A+B+C)	(0.09)	(0.06)
Net increase (/decrease) in cash and cash equivalents (I+II)	(0.09)	(0.06)
Cash and cash equivalents at the beginning of the year	0.25	0.31
Cash and cash equivalents at the end of the year	0.16	0.25
Cheques on hand	0.11	0.14
Bank balances	0.06	0.13
Cash and cash equivalents at end of the year	0.17	0.25
Significant Accounting Policy (Note I)		
The accompanying notes I to 44 are an integral part of the Financial Statements		

As per our report of even date attached.

For Ankit & Co.
Chartered Accountants
FRN 000181S

For Haribhakti & Co. LLP
Chartered Accountants
FRN 103523W/W100048

S. Brijkumar
Partner
M. No. 19357
Place : Ahmedabad

Atul Gala
Partner
M. No. 048650
Place : Ahmedabad

For and on behalf of the Board of Directors

Ravi Sanghi	- Chairman and Managing Director
Aditya Sanghi	- Executive Director
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R.K. Pandey	- Director
T.M. Jagan Mohan	- Director
M.K. Doogar	- Director
Anil Agrawal	- Company Secretary

Place : Ahmedabad
Date : May 24, 2017

Sanghi Industries Limited

Significant accounting policies

Note I

A. Company Information

Sanghi Industries Limited is engaged in the manufacturing and marketing of cement and cement products in domestic and export market. The Company's manufacturing facilities are at Sanghipuram, Gujarat. Equity shares of the Company are listed on The National Stock Exchange and Bombay Stock Exchange.

B. Significant accounting policies

a. Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 July, 2015. An explanation of effect of transition from Indian GAAP (IGAAP) to Ind AS on Company's Accounts is explained in Note 43.

b. Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes excise duty and subsidy and excludes value added tax/ sales tax.

c. Property, plant and equipment

In accordance with Ind AS 16, the Company has elected to fair value the freehold land. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of spare parts that meets the definition of 'Property, Plant and equipment' has to be recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work-in-progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work-in-progress (CWIP) and after commissioning the same is transferred/allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. Depreciation on Property, Plant and Equipment is provided on straight line method as per useful life provided in Schedule II of the Companies Act, 2013. Cement manufacturing plant is considered as continuous process plant.

Depreciation on items of property, plant and equipment acquired/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal. Cost of lease-hold land is amortized equally over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

e. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

f. Financial instruments

(i) Financial assets

Financial assets are measured as at amortised cost, contractual revenue receivables and lease receivables.

(ii) Financial liabilities

Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The same is recognized at fair value.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

g. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes. The carrying amount and unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period. Deferred tax asset on unabsorbed depreciation and carried forward losses is recognised only if there is virtual certainty supported by convincing evidence.

h. Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. For finished goods and work-in-progress, cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Items of spare parts that does not meet the definition of 'property, plant and equipment are recognised as a part of inventories.

i. Employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Post-employment and other employee benefits are recognised as an expense at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long term benefits are charged to the statement of other comprehensive income.

j. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits.

k. Provisions, Contingent liabilities and Commitments:

Contingent liability is disclosed in the case of such events where it is not probable that an outflow of resources will be required to settle the obligation arising out of such event. Provisions, contingent liabilities and commitments are reviewed at each balance sheet date.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

m. Use of estimates and judgments

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

n. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

o. Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ Non-current classification. An asset is treated as current when it is:

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as Non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as Non-current.

Deferred tax assets and liabilities are classified as Non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Foreign currency translation

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the respective currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss unless otherwise disclosed.

p. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

q. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

Sanghi Industries Limited

Note – 2 Property, Plant and Equipment - As at 31st March 2017

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2016	Additions	Disposals	As on 31st March 2017	As on 1st April 2016	Charge for the year	Adjustment during the year	As on 31st March 2017	W.D.V as on 31st March 2017	W.D.V as on 31st March 2016
Owned Assets										
Freehold land	332.35	-	-	332.35	-	-	-	-	332.35	332.35
Building	166.35	1.81	-	168.16	53.48	7.74	0.01	61.22	106.94	112.87
Plant and Machinery	1,880.70	37.29	0.15	1,917.84	902.60	50.57	0.10	953.07	964.78	978.10
Furniture and Fixtures	14.81	4.22	-	19.03	5.90	1.18	-	7.07	11.95	8.92
Vehicles	16.29	1.16	0.32	17.13	7.37	1.84	0.17	9.04	8.09	8.92
Office Equipment	1.40	0.75	-	2.15	0.80	0.27	-	1.07	1.08	0.59
Electrical Installations	114.57	-	-	114.57	81.44	10.39	-	91.83	22.74	33.13
Laboratory Equipment	2.11	-	-	2.11	0.58	0.20	-	0.78	1.34	1.54
Computers	6.91	1.57	-	8.48	5.04	0.88	-	5.92	2.56	1.87
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	-	-
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub-total	2,535.63	* 46.81	0.47	2,581.96	1,057.30	73.06	0.27	1,130.09	1,451.87	1,478.33
Capital work-in-progress	82.35	84.78	-	167.13	-	-	-	-	167.13	82.35
TOTAL	2,617.98	131.59	0.47	2,749.09	1,057.30	73.06	0.27	1,130.09	1,619.00	1,560.68

* It includes INR 6.27 Cr interest capitalised during FY 2016-17, FY 2015-16 INR NIL

Property, Plant and Equipment - As at 31st March 2016

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st July 2015	Additions	Disposals	As on 31st March 2016	As on 1st July 2015	Charge for the year	Adjustment during the year	As on 31st March 2016	W.D.V as on 31st March 2016	W.D.V as on 1st July 2015
Owned Assets										
Freehold land	332.35	-	-	332.35	-	-	-	-	332.35	332.35
Building	165.00	1.35	-	166.35	47.91	5.57	-	53.48	112.87	117.10
Plant and Machinery	1,856.18	25.20	0.68	1,880.70	865.61	37.38	0.39	902.60	978.10	990.57
Furniture and Fixtures	14.81	-	-	14.81	5.01	0.89	-	5.90	8.92	9.81
Vehicles	18.99	0.13	2.83	16.29	8.68	1.33	2.64	7.37	8.92	10.31
Office Equipment	3.23	0.27	2.10	1.40	2.54	0.24	1.98	0.80	0.59	0.68
Electrical Installations	114.36	0.21	-	114.57	73.33	8.11	-	81.44	33.13	41.03
Laboratory Equipment	2.11	-	-	2.11	0.42	0.16	-	0.58	1.54	1.70
Computers	7.79	0.31	1.19	6.91	5.83	0.30	1.09	5.04	1.87	1.96
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	-	-
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub-total	2,514.96	27.47	6.80	2,535.63	1,009.42	53.98	6.10	1,057.30	1,478.33	1,505.53
Capital work-in-progress	56.34	26.01	-	82.35	-	-	-	-	82.35	56.34
TOTAL	2,571.30	53.48	6.80	2,617.98	1,009.42	53.98	6.10	1,057.30	1,560.68	1,561.87

* Interest Capitalised during FY 2015-16 INR NIL, FY 2014-15 INR NIL

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 3 Deferred Tax Assets/(Liabilities)

Particulars	Deferred Tax Assets/(Liability)		
	31 March, 2017	31 March, 2016	1 July, 2015
Deferred Tax Assets (DTA)			
Unabsorbed depreciation	87.58	87.58	87.58
Total DTA	87.58	87.58	87.58
Deferred Tax Liabilities (DTL)			
Difference between Tax Depreciation & Book Depreciation	(29.06)	(29.06)	(29.06)
Total DTL	(29.06)	(29.06)	(29.06)
Net Deferred Tax Assets/(Liabilities)	58.52	58.52	58.52

Notes:

For recognition of Deferred Tax Asset (DTA) where the Company has unabsorbed depreciation under Income Tax Act, 1961, the virtual certainty of realisation of such assets is prescribed as a criteria in AS 22. For the current year, the Company has not recognised such DTA in the accounts on prudent basis.

INR in crores

Particulars	As at		
	31 March, 2017	31 March, 2016	1 July, 2015
Note 4 Non Current Assets : Others			
Unsecured, considered good			
Capital advances	-	19.45	-
Total	-	19.45	-
Note 5 Inventories			
Raw Materials and components	5.12	1.79	0.57
Fuel Stock	9.61	49.17	21.37
Work-in-progress	0.26	0.38	0.40
Finished goods	22.74	30.46	47.39
(Includes Goods-in-transit FY 17 INR 6.71 Cr , FY 16 INR 2.88 Cr , FY 15 INR 3.65 Cr)			
Stores and spares (including packing material)	148.85	56.65	67.55
Total	186.58	138.45	137.29
Note 6 Trade and other receivables			
Outstanding for a period less than six months from the date they were due for payment			
Unsecured, considered good	23.94	18.44	14.54
Total trade receivables	23.94	18.44	14.54
Receivables from related parties	-	-	-
Receivables from others	23.94	18.44	14.54
	23.94	18.44	14.54

Sanghi Industries Limited

INR in crores

Particulars	As at		
	31 March, 2017	31 March, 2016	1 July, 2015
Note 7 Current financial assets : Bank balances			
Margin money	6.21	6.06	5.00
Fixed deposits	9.89	76.72	0.23
Total	16.10	82.78	5.23
Note 8 Current financial assets : Cash and cash equivalents			
Balances with bank			
In current accounts	0.06	0.12	0.16
Cash on hand	0.11	0.13	0.14
Total	0.17	0.25	0.29
Break-up of financial assets carried at amortised cost			
Trade receivables (Refer note - 6)	23.94	18.44	14.54
Bank balances (Refer note - 7)	16.10	82.78	5.23
Cash and cash equivalents (Refer note - 8)	0.17	0.25	0.29
Total financial assets carried at amortised cost	40.21	101.47	20.07
Note 9 Current tax assets			
Advance Income tax	7.97	50.35	50.24
Total	7.97	50.35	50.24
Note 10 Current Assets : Others			
Advances to employees	0.53	0.16	0.06
Advance to suppliers and contractors	41.05	7.49	23.59
Deposit with Government Department	53.75	46.17	46.17
MAT Credit Entitlement	37.13	37.13	37.13
Others	20.88	0.54	0.18
Total	153.34	91.48	107.12

Note 11 Share Capital

INR in crores

Particulars	As at					
	31 March, 2017		31 March, 2016		1 July, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Authorised share capital						
Equity shares of INR 10/- each	275,000,000	275.00	275,000,000	275.00	275,000,000	275.00
		275.00		275.00		275.00
Issued share capital						
Equity shares of INR 10/- each Fully paid Up	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98
		219.98		219.98		219.98
Subscribed and Fully paid up share capital						
Equity shares of INR 10/- each Fully paid Up	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98
	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98
Total Share Capital	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98

Sanghi Industries Limited

INR in crores

Note (a) : Equity share capital	31 March, 2017		31 March, 2016		1 July, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98

The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year

INR in crores

Particulars	31 March, 2017		31 March, 2016		1 July, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(a) Equity						
Opening Balance	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98
Shares to be issued	-	-	-	-	-	-
Shares to be cancelled	-	-	-	-	-	-
Closing Balance	219,979,000	219.98	219,979,000	219.98	219,979,000	219.98

a) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having par value of INR 10 per share. Each member is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

b) The Company does not have any holding company.

c) The details of Shareholders holding more than 5 % of Shares (including Share Capital Suspense)

INR in crores

Particulars	31 March, 2017		31 March, 2016		1 July, 2015	
	No. of shares held	% of Total paid-up Equity Share Capital	No. of shares held	% of Total paid-up Equity Share Capital	No. of shares held	% of Total paid-up Equity Share Capital
Equity Shares						
Samruddhi Investors Services Private Limited	52,614,532.00	23.92	52,614,532.00	23.92	52,614,532.00	23.92
Ravi Sanghi	36,062,150.00	16.39	36,062,150.00	16.39	36,062,150.00	16.39
	88,676,682.00	40.31	88,676,682.00	40.31	88,676,682.00	40.31

d) Shares issued in last 5 years for consideration other than cash : NIL

Sanghi Industries Limited

Statement of Changes in Equity (SOCIE) as at 31 March, 2017

Note 12 Other equity

Note (a) : Other equity

INR in crores

Particulars	Equity component of compound financial instruments	Reserves & Surplus				Items of Other comprehensive income Remeasurements of the net defined benefit Plans	Total	Non-Controlling Interests	Total Equity
		Equity security premium	Capital redemption reserve	Debenture Redemption reserve	Retained earnings				
Balance at July 1, 2015	-	49.82	42.18	-	722.61	-	814.61	-	814.61
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	49.82	42.18	-	722.61	-	814.61	-	814.61
Profit for the year	-	-	-	-	15.98	-	15.98	-	15.98
Transfer to capital redemption reserve	-	-	-	-	-42.66	-	-42.66	-	-42.66
Transfer from retained earnings	-	-	42.66	-	-	-	42.66	-	42.66
Other comprehensive income for the year	-	-	-	-	-	0.44	0.44	-	0.44
Total comprehensive income for the year	-	-	42.66	-	-26.67	0.44	16.42	-	16.42
Balance at March 31, 2016	-	49.82	84.84	-	695.93	0.44	831.03	-	831.03
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	49.82	84.84	-	695.93	0.44	831.03	-	831.03
Profit for the year	-	-	-	-	63.14	-	63.14	-	63.14
Other comprehensive income for the year	-	-	-	-	-	-0.17	-0.17	-	-0.17
Items of OCI recognised directly in retained earnings	-	-	-	-	-	-	-	-	-
Transfer from Capital redemption reserve	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	13.21	-	-	13.21	-	13.21
Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	13.21	63.14	-0.17	76.18	-	76.18
Transfer to General reserve	-	-	-	-	-	-	-	-	-
Transfer from Profit and Loss	-	-	-	-	-	-	-	-	-
Transfer to Debenture redemption reserve	-	-	-	-	-13.21	-	-13.21	-	-13.21
Transfer from Capital redemption reserve	-	-	-	-	-	-	-	-	-
Balance at 31 March, 2017	-	49.82	84.84	13.21	745.86	0.27	894.00	-	894.00

Sanghi Industries Limited

Note - 13 Financial Liabilities : Borrowings

INR in crores

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st July, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
From Banks ¹	135.11	127.81	62.82	65.22	108.70	52.75
From Others ²	71.47	-	156.98	-	173.59	-
15.50% Redeemable and Non-convertible Debenture of INR 1000/- each ³	252.44	-	251.43	-	-	-
Redeemable preference shares ⁴	-	-	-	-	-	42.66
TOTAL	459.02	127.81	471.23	65.22	282.29	95.41

Disclosures on borrowings for March 2017

Loan	Security	Repayment terms	As at 31st March, 2017	
			Non-current	Current
1. Loan from Banks¹				
Working Capital Loans From Banks	Secured against hypothecation of certain assets of the Company. Average cost of borrowing is 9.03%.	Repayable on demand.	-	127.81
Term Loans	First Charge on specific equipment	60 Monthly installments starting from April 2019	135.11	10.78
2. Loan from Others²				
	Hypothecation of specific equipments	Equated Monthly installments	0.72	0.70
	Hypothecation of property	Equated Monthly installments	0.74	0.06
	Hypothecation of certain assets	Payable at the end of 5 th Year	68.52	-
	Hypothecation of cars	Equated Monthly installments	1.50	1.02
3. 15.50% Redeemable and Non-convertible Debenture of INR 1000/- each³	pari-passu charge on some of the Fixed Assets	12 quarterly Installments starting from June '2018	252.44	-

Disclosures on borrowings for March 2016

INR in crores

Loan	Security	Repayment terms	Non-current	Current
1. Loan from Banks¹				
Working Capital Loans From Banks	Secured against hypothecation of certain assets of the Company. Average cost of borrowing is 10.71%.	Repayable on demand.	-	65.22
Term loans from Banks				
Banks	pari-passu charge on some of the Fixed Assets and personal guarantee by some of the Directors and others	47 equated monthly installments starting from June 30, 2013	0.28	3.01
		48 equated monthly installments starting from June 2, 2013	0.58	3.47
		45 monthly installments starting from April 25, 2015	26.54	15.16
		42 equated monthly installments starting from February 12, 2016	35.43	13.36

Sanghi Industries Limited

Disclosures on borrowings for March 2016

INR in crores

Loan	Security	Repayment terms	Non-current	Current
2. Loan from Others²				
Others	Hypothecation of specific equipments	Equated Monthly Installments	1.42	0.64
	Hypothecation of property	Equated Monthly Installments	0.80	0.06
	Hypothecation of certain assets	Payable at the end of 5th Year	68.52	-
	Hypothecation of movable equipments	Equated Monthly Installments	40.53	8.19
	pari-passu charge on some of the Fixed Assets	48 equated monthly installments starting from April, 2015	43.06	21.53
	Hypothecation of cars	Equated Monthly Installments	2.65	1.12
3. 15.50% Redeemable and Non-convertible Debenture of INR 1000/- each³				
Piramal Enterprises Limited	pari-passu charge on some of the Fixed Assets	12 quarterly Installments starting from June 2018	251.43	-

Disclosures on borrowings for July 2015

INR in crores

Loan	Security	Repayment terms	Non-current	Current
1. Loan from Banks¹				
Working Capital Loans From Banks	Secured against hypothecation of certain assets of the Company. Average cost of borrowing is 3.40%.	Repayable on demand.	-	52.75
Term loans from Banks				
Banks	pari-passu charge on some of the Fixed Assets	28 quarterly installments starting from June 30, 2011	55.73	28.27
		28 quarterly installments starting from June 30, 2011	9.31	4.68
		48 equated monthly installments starting from June 2, 2013	3.18	3.47
		47 equated monthly installments starting from June 30, 2013	2.57	2.71
		45 monthly installments starting from April 25, 2015	37.91	15.16
2. Loan from Others²				
Others	pari-passu charge on some of the Fixed Assets	28 Stepped up quarterly installments starting from December 31, 2012	4.05	-
		81 equated monthly installments starting from October 15, 2012	4.86	-
		46 monthly installments starting from May 16, 2012	-	57.74
		48 equated monthly installments starting from April, 2015	87.11	20.68
		-	46.65	-
		Equated Monthly Installments	30.92	24.72
4. Redeemable preference shares⁴		Preference Shares redeemable during the financial period ended on 31st March 2016	-	42.66

Sanghi Industries Limited

INR in crores

Particulars	As at		
	31 March, 2017	31 March, 2016	1 July, 2015
Note 14 Non- current financial liabilities : Others			
Payable for capital goods	75.61	17.82	-
Security Deposits from Customers and Transporters	26.97	29.58	21.89
Total	102.58	47.40	21.89
Note 15 Long term provisions			
Provision for employee benefits			
Gratuity	4.10	3.97	3.79
Leave encashment	1.60	1.39	1.47
Other provisions			
Provision for asset retirement obligation	0.07	0.06	0.06
Provision for mines restoration	0.15	0.15	0.14
Provision for District Mineral Fund	6.46	6.18	-
Provision for National Mineral Exploration Trust	0.87	0.50	-
Provision for Electricity Duty	34.85	42.13	32.56
Total	48.11	54.38	38.02
Movement of provisions during the year as required by Accounting Standard – 29 “ Provisions, Contingent Liabilities and Contingent Assets			
Provision for asset retirement obligation			
Opening Balance	0.06	0.06	-
Add: Provision during the year	0.01	0.01	0.06
Less: Utilisation during the year			
Closing Balance	0.07	0.06	0.06
Provision for Mines Restoration Expenses			
Opening Balance	0.15	0.14	-
Add: Provision during the year	0.01	0.01	0.14
Less: Utilisation during the year			
Closing Balance	0.16	0.15	0.14
Provision for District Mineral Fund			
Opening Balance	6.18	-	-
Add: Provision during the year	11.22	6.18	-
Less: Utilisation during the year	10.94		-
Closing Balance	6.46	6.18	-
Provision for National Mineral Exploration Trust			
Opening Balance	0.50	-	-
Add: Provision during the year	0.75	0.50	-
Less: Utilisation during the year	0.38	-	-
Closing Balance	0.87	0.50	-
Provision for Electricity Duty			
Opening Balance	42.13	32.56	22.08
Add: Provision during the year	0.96	9.57	10.48
Less: paid during the year	8.23	-	-
Closing Balance	34.85	42.13	32.56

Sanghi Industries Limited

INR in crores

Particulars	As at		
	31 March, 2017	31 March, 2016	1 July, 2015
Note 16 Current financial liabilities : Trade payables			
Trade payables	142.06	143.94	165.40
For Micro, small and medium enterprises	0.07	0.01	0.04
Total	142.13	143.96	165.44
Note 17 Current financial liabilities : Others			
Current maturities of Long Term borrowings	12.58	66.63	157.49
Interest accrued but not due on borrowings	0.22	0.55	0.40
Other payables:			
Salary payable	3.94	3.39	3.31
Other Employee Related liabilities	3.27	3.00	2.99
Total	20.02	73.57	164.19
Break-up of financial liabilities carried at amortised cost			
Borrowings (Refer note - 13)	586.83	536.45	377.70
Trade payables (Refer note - 16)	142.13	143.96	165.44
Others (Refer note - 14 & 17)	122.60	120.98	186.08
Total financial liabilities carried at amortised cost	851.56	801.38	729.22
Note 18 Deferred revenue			
Deferred revenue	11.24	8.97	7.75
Total	11.24	8.97	7.75
Note 19 Current tax liabilities			
Current tax liabilities	-	43.89	43.50
Total	-	43.89	43.50
Note 20 Current provisions			
Net employee defined benefit plans			
Gratuity	0.52	0.46	0.30
Leave Encashment	0.17	0.16	0.20
Other provisions			
Provision for Expenses	9.56	23.22	28.78
Total	10.25	23.84	29.28
Note 21 Current liabilities : Others			
Advance received from Customers	10.39	12.13	9.06
Payable for capital goods	4.36	12.22	17.82
Statutory dues	14.07	12.25	22.16
Other Payables	1.66	0.32	3.72
Total	30.48	36.92	52.76

Sanghi Industries Limited

Particulars	INR in crores	
	For the year ended 31 March, 2017	For the period ended 31 March, 2016
Note 22 Other Income		
Interest income	0.54	0.33
Other non-operating income	1.70	1.41
Total Other income	2.24	1.74
Note 23 Cost of materials consumed		
Opening stock	1.79	0.57
Add: Purchases	74.36	53.62
Less: Closing stock	-5.12	-1.79
Total of cost of material consumed	71.03	52.40
Details of material consumed		
Lime Stone	32.93	24.83
Fly Ash	11.18	6.24
Gypsum	5.71	3.12
Clinker consumed	-	6.15
Raw Material for Ready Mix Concrete	3.27	2.33
Other Raw materials	17.94	9.73
Total	71.03	52.40
Material consumed :		
Indigenous	65.40	52.40
Imported	5.63	-
Total	71.03	52.40
Material consumed :	% of Consumption	% of Consumption
Indigenous	92.07%	100.00%
Imported	7.93%	-
Total	100.00%	100.00%
Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock:		
Finished goods	16.03	27.58
Work-in-progress	0.26	0.38
Goods in transit	6.71	2.88
	23.00	30.84
Less:		
Opening Stock :		
Finished goods	27.58	43.74
Work-in-progress	0.38	0.40
Goods in transit	2.88	3.65
	30.84	47.80
Total changes in inventories of finished goods and work-in-progress	7.84	16.96

Sanghi Industries Limited

Particulars	INR in crores	
	For the year ended 31 March, 2017	For the period ended 31 March, 2016
Note 25 Employee benefit expense		
Salaries & Wages and Bonus	49.20	35.55
Contribution to PF & Other Benefits	0.67	1.04
Staff Welfare Expenses	2.66	1.65
Total of employee benefit expense	52.53	38.24
Note 26 Selling expenses		
Freight outward	296.44	211.24
Stevedoring expenses	18.27	15.84
Port & shipping expenses	2.12	2.34
Sales and promotion expenses	16.49	13.74
Total of selling expenses	333.32	243.16
Note 27 Depreciation		
Depreciation expenses	73.06	53.98
Total of Depreciation expenses	73.06	53.98
Note 28 Other Expenses		
Manufacturing expenses		
Excise duty paid	104.49	77.82
Consumption of packing material	32.08	22.59
Consumption of stores and spares ¹	12.67	4.55
Other manufacturing expenses	8.58	7.22
Other operating expenses		
Repairs to plant and machinery	17.03	31.21
Repairs to building	1.61	1.84
Advertisement	3.79	2.51
Audit fees ²	0.28	0.22
Insurance	1.82	1.35
Foreign exchange loss	0.47	2.45
Corporate social Responsibility expenses ³	1.43	2.32
Other operating administrative expenses	23.81	23.57
Total of other expenses	208.07	177.64
Amount and % consumption for stores and spare parts:		INR in crores
Stores and spare parts consumed¹ :		
Indigenous	8.72	2.28
Imported	3.95	2.27
Total	12.67	4.55
Stores and spare parts consumed :	% of Consumption	% of Consumption
Indigenous	68.82%	50.11%
Imported	31.18%	49.89%
Total	100.00%	100.00%

Sanghi Industries Limited

Particulars	INR in crores	
	For the year ended 31 March, 2017	For the period ended 31 March, 2016
Payment to Statutory Auditors as²:		
Payment as Auditors	0.20	0.15
For Taxation matters	0.05	0.05
For Other Services	0.03	0.02
	0.28	0.22
Corporate Social Responsibilities Expenses³		
a) Gross amount required to be spent by the Company during the year INR 0.91 Cr (31 March, 2016 : 0.85 Cr) based on average net profit of last three years as per Section 198 of the Companies Act, 2013.		
b) Amount spent during the year in cash on purposes other than construction/acquisition of any asset is INR 1.42 Cr (31 March, 2016 : 2.32 Cr) towards animal welfare, green belt development, village education and others.		
Note 29 Finance cost		
Borrowing cost	61.28	19.43
Other interest	2.95	2.75
Total of finance Costs	64.23	22.18
Note 30 Exceptional items		
One time Net Expenses of Lenders Prepayment	-	60.39
Total of exceptional items	-	60.39
Note 31 Tax Expenses		
Current tax	-	0.39
Total of Tax Expenses	-	0.39
Components of Other Comprehensive Income (OCI)		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Note 32 Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Equity Instruments through Other Comprehensive Income		
Actuarial gains and losses	(0.17)	0.44
	(0.17)	0.44

Sanghi Industries Limited

Particulars	INR in crores	
	For the year ended 31 March, 2017	For the period ended 31 March, 2016
Note 33 Earnings per share		
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.		
The following reflects the income and share data used in the basic and diluted EPS computations:		
i. Profit attributable to Equity holders of parent		
Profit attributable to equity holders of the parent:		
Continuing operations	63.14	15.98
Discontinued operations	-	-
Profit attributable to equity holders of the parent for basic earnings	63.14	15.98
Effect of dilution	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	63.14	15.98
ii. Weighted average number of ordinary shares		
Issued ordinary shares	21.9979	21.9979
Effect of dilution	-	-
	21.9979	22.00
Basic earnings per share	2.87	0.73
Diluted earnings per share	2.87	0.73

Note - 34 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

31 March, 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Trade receivables (Refer note - 6)	-	-	23.94	23.94	-	-	-	-
Bank balances (Refer note - 7)	-	-	16.10	16.10	-	-	-	-
Cash and cash equivalents (Refer note - 8)	-	-	0.17	0.17	-	-	-	-
Total Financial Assets	-	-	40.21	40.21	-	-	-	-
Financial liabilities								
Borrowings (Refer note - 13)	-	-	586.83	586.83	-	-	-	-
Trade payables (Refer note - 16)	-	-	142.13	142.13	-	-	-	-
Others (Refer note - 14 & 17)	-	-	122.60	122.60	-	-	-	-
Total Financial Liabilities	-	-	851.56	851.56	-	-	-	-

Sanghi Industries Limited

INR in crores

31 March, 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Trade receivables (Refer note - 6)	-	-	18.44	18.44	-	-	-	-
Bank balances (Refer note - 7)	-	-	82.78	82.78	-	-	-	-
Cash and cash equivalents (Refer note - 8)	-	-	0.25	0.25	-	-	-	-
Total Financial Assets	-	-	101.47	101.47	-	-	-	-
Financial liabilities								
Borrowings (Refer note - 13)	-	-	536.45	536.45	-	-	-	-
Trade payables (Refer note - 16)	-	-	143.96	143.96	-	-	-	-
Others (Refer note - 14 & 17)	-	-	120.98	120.98	-	-	-	-
Total Financial Liabilities	-	-	801.38	801.38	-	-	-	-

INR in crores

1 July, 2015	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Trade receivables (Refer note - 6)	-	-	14.54	14.54	-	-	-	-
Bank balances (Refer note - 7)	-	-	5.23	5.23	-	-	-	-
Cash and cash equivalents (Refer note - 8)	-	-	0.29	0.29	-	-	-	-
Total Financial Assets	-	-	20.07	20.07	-	-	-	-
Financial liabilities								
Borrowings (Refer note - 13)	-	-	377.70	377.70	-	-	-	-
Trade payables (Refer note - 16)	-	-	165.44	165.44	-	-	-	-
Others (Refer note - 14 & 17)	-	-	186.08	186.08	-	-	-	-
Total Financial Liabilities	-	-	729.22	729.22	-	-	-	-

The fair value of the financial assets as well as the financial liabilities approximates the amortised cost disclosed above

B. 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 Company manages cash resources, borrowing strategies, and ensures compliance with market risk limits and policies.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees compliance with the company's risk management policies and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Sanghi Industries Limited

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a counter party 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.

Cash and other bank balances

The company maintains its Cash and cash equivalents and Bank deposits with banks with good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables

Credit risk is managed through credit approvals, ongoing credit evaluations of its customers' financial condition and monitoring the creditworthiness of its customers.

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 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. The Company maintains sufficient lines of credit to commensurate its business.

Exposure to liquidity risk

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

INR in crores

31 March, 2017	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note - 13)	586.83	586.83	126.37	47.01	370.40	43.05
Trade payables (Refer note - 16)	142.13	142.13	142.13	-	-	-
Others (Refer note - 14 & 17)	122.60	122.60	20.02	102.01	0.57	-

INR in crores

31 March, 2016	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note - 13)	536.45	536.45	64.21	63.72	408.01	0.51
Trade payables (Refer note - 16)	143.96	143.96	143.96	-	-	-
Others (Refer note - 14 & 17)	120.98	120.98	73.57	46.55	0.85	-

INR in crores

1 July, 2015	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note - 13)	377.70	377.70	95.41	106.58	170.72	4.99
Trade payables (Refer note - 16)	165.44	165.44	165.44	-	-	-
Others (Refer note - 14 & 17)	186.08	186.08	164.19	20.79	0.84	0.26

The gross 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.

Sanghi Industries Limited

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. Exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

v. Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of its receivables, borrowings and payables for capital goods in foreign currency. The Company has not used derivative financial instruments either for hedging purpose or for trading or speculative purposes.

Exposure to currency risk

The currency profile in INR of financial assets and financial liabilities as at 31 March, 2017, 31 March, 2016 and 1 July, 2015 are as below:

	31 March, 2017 INR	31 March, 2017 USD	31 March, 2017 EURO
Financial assets			
Trade receivables (Refer note - 6)	23.43	0.51	-
Bank balances (Refer note - 7)	16.10	-	-
Cash and cash equivalents (Refer note - 8)	0.15	0.01	0.01
	39.68	0.52	0.01
Financial liabilities			
Borrowings (Refer note - 13)	586.83	-	-
Trade payables (Refer note - 16)	115.55	26.54	-
Others (Refer note - 14 & 17)	122.60	-	-
	824.98	26.54	-
	31 March, 2016 INR	31 March, 2016 USD	31 March, 2016 EURO
Financial assets			
Trade receivables (Refer note - 6)	16.92	1.52	-
Bank balances (Refer note - 7)	82.78	-	-
Cash and cash equivalents (Refer note - 8)	0.22	0.02	0.01
	99.92	1.54	0.01
Financial liabilities			
Borrowings (Refer note - 13)	461.69	74.76	-
Trade payables (Refer note - 16)	102.39	32.32	9.25
Others (Refer note - 14 & 17)	120.98	-	-
	685.05	107.08	9.25
	1 July, 2015 INR	1 July, 2015 USD	1 July, 2015 EURO
Financial assets			
Trade receivables (Refer note - 6)	14.16	0.38	-
Bank balances (Refer note - 7)	5.23	-	-
Cash and cash equivalents (Refer note - 8)	0.29	-	-
	19.69	0.38	-
Financial liabilities			
Borrowings (Refer note - 13)	258.45	119.25	-
Trade payables (Refer note - 16)	98.83	57.01	9.60
Others (Refer note - 14 & 17)	186.08	-	-
	543.36	176.26	9.60

Sanghi Industries Limited

The following significant exchange rates have been applied during the year.

INR	Year end spot rate		
	31 March, 2017	31 March, 2016	1 July, 2015
USD I	64.85	66.25	63.64
EUR I	64.78	68.97	68.40
CHF I	69.27	75.28	71.20

INR	Average rate	
	31 March, 2017	31 March, 2016
USD I	65.55	64.37
EUR I	72.27	71.21
CHF I	66.87	66.86

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR of 10% movement	USD	EUR	CHF
31 March, 2017			
Strengthening	(2.60)	-	-
Weakening	2.60	-	-

Effect in INR of 10% movement	USD	EUR	CHF
31 March, 2016			
Strengthening	10.55	0.92	-
Weakening	(10.55)	(0.92)	-

Effect in INR of 10% movement	USD	EUR	CHF
1 July, 2015			
Strengthening	(17.59)	(0.96)	-
Weakening	17.59	0.96	-

vi. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. The Company adopts a policy to ensure that it achieves balance between fixed and floating rate.

vii. Exposure to interest rate risk

The Company uses a mix of fixed rates and floating rates of borrowings. The changes in the floating interest rates are monitored closely.

INR in crores

	Amount		
	31 March, 2017	31 March, 2016	1 July, 2015
Fixed-rate instruments			
Financial assets	-	-	-
Financial liabilities	347.83	567.44	461.66
	347.83	567.44	461.66

Note - 35 : 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.

Sanghi Industries Limited

The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows.

INR in crores

	As at	
	31 March, 2017	31 March, 2016
Total Debt	471.60	537.85
Less : Cash and bank balances	16.27	83.03
Adjusted net debt	455.33	454.82
Total equity	1,113.98	1,051.01
Adjusted net debt to adjusted equity ratio	0.41	0.43

Note - 36 :Contingent Liabilities and Commitments

The claims against the company not acknowledged as debt amount to INR 108.75 Cr. (31 March 2016 : INR 130.75 Cr. & 1 July 2015 INR 151.94 Cr.) 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 INR 52.12 Cr. (31 March 2016 : INR 50.64 Cr. & 1 July 2015 : INR 52.95 Cr.) with respective authorities as deposit.

INR in crores

Particulars	31 March, 2017	31 March, 2016	1 July, 2015
Excise & Service Tax	61.46	83.74	104.58
Customs	12.41	12.41	12.41
Sales Tax	1.76	1.76	1.76
Claims of Gujarat Water Supply and Sewerage Board	26.38	26.38	26.38
Land Revenue Tax	1.17	1.17	1.17
Electricity Duty	3.30	3.30	3.30
Other Claims against the Company	2.27	1.99	2.34
Total	108.75	130.75	151.94

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 24.74 Cr. (31 March 2016 is INR 87.86 Cr. & 1 July 2015 is INR 4.46 Cr. Net of advances).

Note - 37 : Segment reporting

(a) Description of segments and principal activities

The Company is in the business of manufacturing and sale of cement and clinker which is considered to constitute one single primary segment.

(b) Details for reportable segments as required by Ind AS 108 is as follows:

Particulars	Details	
	Revenue	Debtors
Within India		
31 March, 2017	996.88	23.58
31 March, 2016	760.56	18.08
1 July, 2015	N.A	13.52
Outside India		
31 March, 2017	107.38	0.51
31 March, 2016	81.20	0.36
1 July, 2015	N.A	1.02
Total		
31 March, 2017	1,104.26	24.09
31 March, 2016	841.76	18.44
1 July, 2015	N.A	14.54

Domestic revenue includes INR 0.91 Cr. self consumption (31 March 2016 : INR 0.25 Cr.)

Sanghi Industries Limited

(c) Information about major customers

None of the entity's external customers account for 10 per cent or more of an entity's revenue.

Note - 38 : Related party disclosures

a. Subsidiary, Joint Venture and Associates:

The Company has incorporated subsidiary company in China named, Sange Testing Services (Shanghai) Co., Ltd. on March 20, 2015. However, no investment is made till March 31, 2017.

b. Key Management Personnel:

Shri Ravi Sanghi	- Chairman and Managing Director
Shri Aditya Sanghi	- Whole Time Director
Shri Alok Sanghi	- Whole Time Director
Smt. Bina Engineer	- Whole Time Director
Shri N. B. Gohil	- Whole Time Director

c. The following transactions were carried out with the related parties referred in above in the ordinary course of business : INR in crores

Particulars	For the year ended 31 March, 2017	For the period ended 31 March, 2016
Short-term employee benefits	6.44	3.81
Post-employment benefits	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payments	-	-
Total compensation	6.44	3.81

Remuneration includes value of perquisites amounting to INR 39,600 (31 March 2016: INR 29,700) for each key managerial person and commission for INR 1.42 Cr (31 March 2016 : INR 4.94 lacs).

Note - 39 : Operating lease

Operating lease expenditure incurred during the period in respect of cancellable lease is INR NIL (31 March 2016 : INR 1.17 Cr. Details of non cancellable lease are as follows:

Particulars	31 March, 2017	31 March, 2016	1 July, 2015
Company as a lessor:			
Minimum Lease Payment			
Not later than one year	-	0.12	0.12
Later than one year and not later than five years	-	0.48	0.48
Later than Five years	-	-	-
Total	-	0.60	0.60

Sanghi Industries Limited

Note - 40

Foreign currency exposure not hedge are as follows:

INR in crores

Particulars	Currency	31 March, 2017		31 March, 2016		1 July, 2015	
		Foreign Currency (in Mn)	INR	Foreign Currency (in Mn)	INR	Foreign Currency (in Mn)	INR
Borrowings	USD	-	-	11.29	74.76	18.74	119.25
Trade Receivables (Net)	USD	0.08	0.51	-	-	0.06	0.38
Trade Payable (Net)	USD	4.09	26.54	4.88	32.32	8.96	57.01
Trade Payable (Net Advance)	CHF	-	-	-	-	0.54	3.69
Trade Payable (Net Advance)	EUR	0.01	0.04	1.23	9.25	1.35	9.60

Note - 41

Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 is as under:

A. Details of Major Raw Material Consumed

INR in crores

Particulars	31 March, 2017		31 March, 2016	
	Qty (MT)	Amount	Qty (MT)	Amount
Limestone	3,308,115	32.93	2,427,339	24.83
Fly Ash	1,190,310	11.18	169,698	6.24
Gypsum	104,152	5.71	90,158	3.12

B. CIF value of imports

INR in crores

Particulars	31 March, 2017	31 March, 2016
Raw material	NIL	NIL
Stores and Spares	9.59	2.27
Capital Goods	1.52	6.34

C. Earning in Foreign Currency

INR in crores

Particulars	31 March, 2017	31 March, 2016
FOB value of exports	103.82	81.20

D. Expenditure in Foreign Currency

INR in crores

Particulars	31 March, 2017	31 March, 2016
Professional and Consultation fees	0.57	0.17
Travelling Expenses	0.04	0.04

Note - 42 : Gratuity and other post employment benefit plans

The Company operates post employment and other long term employee benefits defined plans as follows:

I. Unfunded

- Gratuity
- Leave encashment benefit

Sanghi Industries Limited

II. Defined Benefit Plan

The employee's gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

INR in crores

Description	Gratuity		Leave encashment	
	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
1. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	4.43	4.09	1.55	1.67
b. Current Service Cost	0.57	0.41	0.33	0.30
c. Interest Cost	0.36	0.25	0.12	0.10
d. Actuarial (Gain)/Loss	(0.10)	(0.09)	0.27	(0.35)
e. Benefits Paid	(0.64)	(0.23)	(0.49)	(0.17)
f. Obligation as at the end of the year	4.62	4.43	1.78	1.55
2. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	-	-	-	-
b. Present Value of Obligation as at the end of the year	4.62	4.43	1.78	1.55
c. Amount recognised in the Balance Sheet	(4.62)	(4.43)	(1.78)	(1.55)
3. Expense recognised during the year in Profit & Loss				
a. Current Service Cost	0.57	0.41	0.33	0.30
b. Interest Cost	0.36	0.25	0.12	0.10
c. Expense recognised during the year	0.93	0.66	0.45	0.40
4. Expense recognised during the year in OCI				
a. Actuarial (Gain)/Loss	(0.10)	(0.09)	0.27	(0.35)
5. Actuarial Assumptions				
a. Discount Rate (per annum)	0.07	0.08	0.07	0.08
b. Salary escalation	0.04	0.05	0.04	0.05
c. Mortality Rate Indian Assured Lives Mortality	Ultimate	Ultimate	Ultimate	Ultimate

III. Experience adjustments

a. Gratuity (unfunded)

INR in crores

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligations	4.62	4.43	4.09	3.50	3.41
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(deficit)	(4.62)	(4.43)	(4.09)	(3.50)	(3.41)
Expected adjustments on planned Liabilities (Gains)/Losses	-	-	0.11	(0.05)	0.36
Expected adjustments on planned Assets	-	-	-	-	-

Sanghi Industries Limited

b. Leave encashment (unfunded)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined benefit obligations	1.78	1.55	1.67	2.32	1.67
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(deficit)	(1.78)	(1.55)	(1.67)	(2.32)	(1.67)
Expected adjustments on planned Liabilities (Gains)/Losses	-	-	(0.94)	0.67	0.41
Expected adjustments on planned Assets	-	-	-	-	-

IV. 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.

INR in crores

Particulars	31 March, 2017	
	Increase	Decrease
	Gratuity	Gratuity
Discount rate (1% movement)	(0.38)	0.44
Salary growth rate (1% movement)	0.39	(0.35)

INR in crores

Particulars	31 March, 2016	
	Increase	Decrease
	Gratuity	Gratuity
Discount rate (1% movement)	(0.39)	0.46
Salary growth rate (1% movement)	0.47	(0.41)

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.

Note 43 - Transition to Ind AS:

These financial statements, for the year ended 31 March, 2017, are the first the Company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March, 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and the opening Ind AS balance sheet at 1 July 2015 (the "transition date"). The comparative period comprises of 9 months since the company had changed its accounting year to end on 31 March each year in compliance with provisions of the Companies Act 2013.

In preparing the opening Ind AS balance sheet, the company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial performance, cash flows and financial position is set out in this note. The optional and mandatory exemptions availed by the Company are enumerated below:

A Optional exemptions

1 Property Plant and equipments

Ind AS permits a first time adopter to fair value an item of PPE and carry it forward as the deemed cost under Ind AS. Further, Ind AS also permits an entity to restate the values of PPE in compliance with Ind AS 16 principles. Any consequential adjustments are accounted through the retained earnings. Accordingly, the Company has opted to fair value the freehold land and restate the values of other items of PPE based on Ind AS 16 principles. This has resulted in a net increase of INR 143.32 crores on the transition date.

2 Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

Sanghi Industries Limited

B Mandatory exemptions

I Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement.

2 Derecognition of financial assets and liabilities

The Company has elected to apply the derecognition principles of Ind AS 109 prospectively.

I Equity reconciliation :

INR in crores

Particulars	Note	31 March, 2016	1 July, 2015
Equity reported under IGAAP (A)		912.39	953.53
Ind AS adjustments			
Accounting of financial liabilities at amortised cost using effective interest rate method	3	5.05	-
Reclassification of redeemable preference shared to liability	2	-	(42.66)
Net impact of restatement of items of PPE in compliance with Ind AS 16 principles	A1	143.32	143.32
Reclassification of certain items of stores and spares to PPE and consequential depreciation	7	(3.60)	(15.46)
Deferral of revenue for sales to coincide with transfer of risk and rewards	1	(3.92)	(1.23)
Deferral of revenue attributable to non-cash incentives outstanding at the respective reporting date	1	(2.18)	(2.87)
Other adjustments	6	(0.05)	(0.04)
Total impact on account of Ind AS adjustments (B)		138.62	81.06
Equity under Ind AS (C) = (A) + (B)		1,051.01	1,034.59

Comprehensive income reconciliation

INR in crores

Particulars	Note	2015-16
Income reported under IGAAP (A)		1.54
Ind AS adjustments		
Accounting of financial liabilities at amortised cost using effective interest rate method	3	5.05
Reclassification of certain items of stores and spares to PPE and consequential depreciation	5	11.84
Deferral of revenue for sales to coincide with transfer of risk and rewards	1	(2.69)
Deferral of revenue attributable to non-cash incentives outstanding at the respective reporting date	1	0.69
Other adjustments	6	(0.01)
Total impact on account of Ind AS adjustments (B)		14.88
Income under Ind AS (C) = (A) + (B)		16.42

1 Revenue recognition:

Excise duty - Under IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods for the financial year 2015-16 under Ind AS has increased by INR 77.81 cr with a corresponding increase in other expense.

Timing of revenue recognition - Under IGAAP, goods sold on FOR terms were recorded at the time of dispatch. However, under Ind AS, revenue is to be recognised based on transfer of risk and reward to customers. This has resulted in increase in inventories and corresponding reduction in sales, cost of goods sold and profit margin.

Cash incentives - Under IGAAP, cash incentives provided to customers were recorded under other expenses. Under Ind AS, all such cash incentives given to customers are recorded net off revenue. This has resulted in reduction in sales and other expenses and will have no impact on profit.

Non-cash incentives - Under Ind AS, revenue attributable to open schemes at the reporting date has been deferred along with the corresponding costs.

2 Non convertible preference shares:

The company has issued non-convertible redeemable preference shares. The preference shares does not carry any dividend. Under IGAAP, the preference shares were classified as equity at face value of the proceeds. Under Ind AS, these are considered to be liability.

3 Loans and borrowings

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. Further, for the refinancing and modification in terms of the loans, based on quantitative as well as qualitative assessment, the Company has accounted for gain or loss where there has been a substantial change.

4 Employee benefits :

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements gains and losses amounting to INR 0.29 crores (actuarial loss) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Since this impact does not have an impact on the total comprehensive income, it has not been shown separately in the comprehensive income reconciliation above

5 Stores and spares:

Stores and spares meeting the definition of PPE have been capitalised based on Ind AS 16. Depreciation has been computed on these items from the date of purchase based on the estimated useful life. Resultant adjustment amounting to INR 15.47 crores reduced the retained earnings on the transition date. Further, this resulted in an increase in the comprehensive income by INR 11.84 crores in 2015-16.

6 Embedded lease:

Under Ind AS, an entity is required to assess whether a contract or arrangement contains a lease. The company does not have any lease arrangement

Decommissioning liability:

Under Ind AS, the cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Such provision is made wherever applicable.

Sanghi Industries Limited

7 Demonetisation

	SBNS		Other Denomination		Total	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing balance as on 8 th Nov'2016	₹ 1000 , ₹ 500	0.95	₹ 100, ₹ 50 , ₹ 20 , ₹ 10	16.68	₹ 1000 , ₹ 500, ₹ 100, ₹ 50 , ₹ 20, ₹ 10	17.63
Transactions						
Add :Withdrawal from Bank Accounts	-	-	-	21.42	₹ 2000, ₹ 500, ₹ 100, ₹ 50 , ₹ 20 and ₹ 10	21.42
Add : Receipts for permitted Transactions	-	-	-	0.85	-	0.85
Add : Receipts for non permitted transactions	-	-	-	-	-	-
Less : paid for permitted Transactions	-	-	-	29.49	-	29.49
Less : Paid for non permitted Transactions	-	-	-	-	-	-
Less : Deposited in Bank accounts	₹ 1000 and ₹ 500	0.95	-	-	₹ 1000 and ₹ 500	0.95
Closing balance as on 30th December 2016	-	-	-	9.46	₹ 2000, ₹ 500 , ₹100, ₹ 50 , ₹ 20 and ₹ 10	9.46

Note 44

The previous year's figures have been regrouped/reclassified wherever necessary to confirm with current year's classification.

As per our report of even date attached.

For Ankit & Co.
Chartered Accountants
FRN 000181S

S. Brijkumar
Partner
M. No. 19357
Place : Ahmedabad

Place : Ahmedabad
Date : May 24, 2017

For Haribhakti & Co. LLP
Chartered Accountants
FRN 103523W/W100048

Atul Gala
Partner
M. No. 048650
Place : Ahmedabad

For and on behalf of the Board of Directors

Ravi Sanghi	- Chairman and Managing Director
Aditya Sanghi	- Executive Director
Alok Sanghi	- Executive Director
Bina Engineer	- Executive Director
N.B. Gohil	- Executive Director
D.K. Kambale	- Director
Sadashiv Sawrikar	- Director
D.B.N. Rao	- Director
R.K. Pandey	- Director
T.M. Jagan Mohan	- Director
M.K. Doogar	- Director
Anil Agrawal	- Company Secretary



Turning Dreams into Concrete Reality

Sanghi Industries Limited

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