



SANGHI INDUSTRIES LIMITED

32nd ANNUAL REPORT 2018-19



Turning Dreams into Concrete Reality

Vision

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

Mission

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

Values (Five Cs)

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

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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	Independent Director
Shri Sadashiv Sawrikar	Independent Director
Shri D. B. N. Rao	Independent Director
Shri R. K. Pandey	Independent Director
Shri M. K. Doogar	Independent Director
Shri S. Balasubramanian	Independent Director

Company Secretary

Shri Anil Agrawal

Joint Statutory Auditors

M/s Chaturvedi & Shah LLP
Chartered Accountants
Mumbai

M/s S. K. Mehta & Co.
Chartered Accountants
Delhi

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: Makaraba,
District: Ahmedabad – 380 051
Tel. Nos. 079 - 2683 8000
Fax Nos.079 - 2683 8111

Mumbai Office

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

Email : companysecretary@sanghicement.com

Website : www.sanghicement.com

CIN : [LI8209TG1985PLC005581](https://www.bseindia.com/cin/LI8209TG1985PLC005581)

DIRECTORS' REPORT

To
The Members of
Sanghi Industries Limited

Your Directors take pleasure in presenting the 32nd Annual Report together with the audited financial statements for the year ended 31st March, 2019.

Financial Performance: (₹ in Crore)

Particulars	2018-2019	2017-2018
Total Income	1088.23	1074.03
Profit before Interest, Depreciation and Taxation	181.27	237.81
Interest	57.33	72.12
Operating Profit	123.94	165.69
Depreciation	71.34	72.38
Profit Before Tax (PBT)	52.60	93.31
(Add)/Less: Provision for Tax	-	-
Profit After Tax (PAT)	52.60	93.31
Other Comprehensive Income	(0.12)	0.05
Total Comprehensive Income	52.48	93.36

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 ₹ 21.90 Crores to Debenture Redemption Reserve.

Operations and Performance of the Company

During the year ended 31st March, 2019, the total revenue was ₹ 1,088.23 Crores against ₹ 1,074.03 Crores in the previous year. The Profit Before and after Tax for the year has been ₹ 52.60 Crores against ₹ 93.31 Crores in previous year. The Total Comprehensive Income for the year is ₹ 52.48 Crores, against ₹ 93.36 Crores in previous year. Goods and Service Tax (GST) has been implemented w.e.f. 1st July 2017. Accordingly, GST is being levied as against Excise duty applicable hitherto. Since, excise duty is included in the revenue and GST is not included in revenue, total revenue for the year ended 31st March, 2019 are not comparable with the previous year.

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

Expansion

During the year under review, the Company has commenced the project for expansion of its capacity from 4.1 MMTPA to 8.1 MMTPA as planned out by the Company.

Change in Nature of Business

There are no material changes in the nature of business during the year under review.

Material changes and commitments affecting the financial position of the Company

There have been 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.

Significant and material orders passed by the regulators or Courts Or Tribunals

During the year under review, there were 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.

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.

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 2018-19.

Subsidiary Company

As at 31st March 2019, the Company does not have any Subsidiary Company.

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 along with the certificate from auditors confirming the compliance.

Details of Board of Directors and Key Managerial Personnel

Board of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed thereunder, Smt. Bina Engineer (DIN: 01653392) Whole-time Director of the Company retires by rotation at the forthcoming Annual General Meeting and she being eligible, offers herself for re-appointment. She has been also re-appointed as Whole Time Director of the Company for a period of three years w.e.f. 6th September, 2019 subject to approval of the members at the ensuing Annual General Meeting. The resolution proposing her re-appointment is set out in the notice.

In accordance with the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Shri Mahendra K. Doogar (DIN: 00319034) has been re-appointed as an Independent Director for a period of five years w.e.f. 10th February, 2019.

Your Directors recommend the re-appointment.

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

There were no changes in Key Managerial Personnel during the year.

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).

Policy on Directors' appointment and 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.

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 as amended from time to time, 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.

Directors' Responsibility Statement

To the best of knowledge and belief and according to the information and explanations obtained 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 financial statement, the applicable accounting standards had been followed and that no material departures have been made for the same;
- 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, 2019 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 period ended 31st March, 2019 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.

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. The intervening gap between the two meetings was within the limit prescribed under the Companies Act, 2013 and Listing Regulations.

Disclosure on the compliance of Secretarial Standards

The Directors confirm to the best of their knowledge and belief that the Company has complied with the applicable provisions of Secretarial Standards on the Meeting of the Board of Directors issued by the Institute of Company Secretaries of India.

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 organization 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.

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 <http://www.sanghiment.com/policies>

Policy on prevention, prohibition and redressal of sexual harassment at workplace

Company has framed a policy on Sexual Harassment at workplace which aims to provide protection to women employees at workplace and prevent and redress complaints of sexual harassment and for matters connected therewith or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint under the Sexual Harassment of women at Workplace during the financial year under review.

Insurance

The properties and assets of the Company are adequately insured.

Auditors**Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number: 101720W), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 101720W/W100355) Delhi, were appointed as Joint Statutory Auditors of the Company for the consecutive term of 5 years to hold office till the conclusion of 35th Annual General Meeting of the Company subject to ratification of appointment at every Annual General Meeting at such remuneration as shall be fixed by Shri Ravi Sanghi, Chairman and Managing Director of the Company in consultation with the Joint Statutory Auditors.

The Companies (Amendment) Act, 2017 has amended the provisions of Section 139 of the Companies Act, 2013 by omitting the requirement of ratification of appointment of statutory auditors at every Annual General Meeting. In view of the same, the members of the Company are not being approached for ratification of appointment of Statutory Auditors.

The Auditors' Report to the members for the year under review does not contain any qualifications or reservations or adverse remarks.

Secretarial Auditors

M/s Parikh Dave & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2018-19 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.

Cost Auditors

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 2019-20. The Audit report of the cost accounts of the Company for the year ended 31st March, 2019 will be submitted to the Central Government in due course.

Audit Committee

The Audit Committee of the Company as on 31st March, 2019 consists of following Directors as its members:

1.	Shri Sadashiv Sawrikar	-	Chairman
2.	Shri R. K. Pandey	-	Member
3.	Shri D. K. Kambale	-	Member

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.

Contracts or Agreements with Related Parties

During the year under review, there were no Related Party Transactions entered by the Company with related parties falling under Section 188 of the Companies Act, 2013 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 34 which is forming the part of the notes to financial statements.

The policy on Related Party Transactions has been uploaded on the website i.e <http://www.sanghicement.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.

Corporate Social Responsibility

At Sanghi Industries Limited (SIL), the Corporate Social Responsibility (CSR) has been an integral part of our business since inception. SIL is having 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 in to 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.
- Conducting social awareness programmes on various issues.
- Contribution in disaster relief fund.

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 <http://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, 2019 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**.

Familiarization Programme for Independent Directors

In compliance with the requirements of SEBI regulations, the Company has put in place a familiarization programme for independent directors to familiarize them with their role, rights and responsibilities as directors, the working of the Company, nature of industry in which Company operates, business model, etc. The details of familiarization programme are explained in the Corporate Governance Report. The details of the familiarization programme of Independent Directors of the Company is available on the website of the Company at the following link: <http://www.sanghiment.com/independent-director>

Listing

The Company's equity shares are listed with the Stock Exchanges, namely National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Non-Convertible Debentures (NCDs) of the Company issued on private placement basis are listed on 'Wholesale Debt Market' segment of BSE Limited. The Company has paid the listing fees for the year 2019-20 to both the Stock Exchanges.

Environment And Pollution Control

The Company has established centralized Environmental Management Cell (EMC) for environment management and vigorously pursued its goal of sustainable development through exacting standard in environmental conservation, emission control, promotion of alternative fuel & raw materials and waste management. The Company has certified with ISO:14001 standard since 2004. The Company has installed state of the art air pollution control systems like ESP, Bag house with membrane technology, Fugitive emission control systems like Dust extraction & dust suppression system in all required locations. The Company has also explored possibility to upgrade existing pollution control system on the ground of present technology advancement and implement accordingly. The Company has concreting of internal roads, truck parking area and plant floors and carried out massive plantation in the entire complex. The Company has installed state of the art Clinker storage and loading system. The mining activities are being carried out by eco-friendly surface miner. The Company is committed for CO₂ emissions abatement and implemented series of project for the same.

The Company has implemented series of measures for environment and pollution control. Some of the measures implemented during the year are:

- Up-gradation of air pollution control systems of Cooler and KPD to latest technology
- 100% recycling of KPD in the process
- Enhancement of composite cement mix to enhance ash and slag utilization
- Automation of entire water network and water conservation
- Enhancement in alternative raw material and fuel quantity in manufacturing process
- Periodical carbon footprint analysis for greenhouse gas emission reduction
- Massive plantation in the entire complex

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"> • Upgradation of automated alternative fuel feeding system; • Installation of Slip Power Recovery System (SPRS) in process fan; • Upgradation of pre-heater twin cyclones to reduce pressure drop; • Replacement of APH tube in boiler's PA & SA zone for energy efficiency; • Replacement of Boiler Feed Pump (BFP) with new energy efficient pump; • Replacement of conventional blowers with turbo blowers; • Optimization of pumps discharge and compressed air pressure; • Upgradation of Hydraulic Roller Press (HRP) to improve productivity and energy efficiency; • Optimization of fuel fineness, excess air & false air ingress and flow and mass balance in cement plant as well as power plant; • Higher usage of alternative fuel in Klin; and • Auto control of water pumps network at entire complex.
(ii)	the steps taken by the Company for utilizing alternate sources of energy;	<ul style="list-style-type: none"> • Upgradation of Alternative Fuel & Raw Material (AFR) system in Clinker plant; • Explore possibility to utilize more types of waste in the kiln under AFR; • Operation of Waste Heat Recovery System for power generation; • Increase thermal substitution rate year on year and achieved 9% TSR during the year.

iii)	the capital investment on energy conservation equipments	₹ 1347 Lakhs
(b) Technology absorption		
(i)	the efforts made towards technology absorption;	<ul style="list-style-type: none"> The MIS Cell & Energy Steering Committee is working on energy accounting and conservation program by handling issues associated with it. The Company strives 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. Participation in National/International seminar
(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:-)	State of the art technology
	a) the details of technology imported;	NA
	b) the year of import;	NA
	c) whether the technology been fully absorbed; and	NA
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA
(c) Research and Development		
(i)	Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> Development of new product for overseas market. Development of new product for Indigenous market. Alternate fuel & Raw Materials (Waste Utilization). Energy conservation. Water conservation.
(ii)	Benefits derived as result of the above R&D	<ul style="list-style-type: none"> Increased utilization of AFR (waste utilization) covering many products. Development of special product for overseas market having substantially reduced Hexavalent Chromium. Enhanced durability of product. Improvement in system efficiency. Reduction in specific water consumption.
(iii)	Future Plan of Action	<ul style="list-style-type: none"> Development of product which are Eco-friendly & less energy intensive. Conceptional fluid dynamic study for energy conservation. Enlarging R&D facility to further strengthen activities. Design of Experiment study to continue for product development and consistency.
(iv)	Expenditure on R&D	During the year under review, the Company has incurred ₹ 115.89 Lakhs towards R & D Expenditure charged to revenue.

Sanghi Industries Limited

Foreign Exchange Earnings and Outgo

During the year under review, Foreign Exchange earnings was ₹ 1913.31 Lacs and outgo was ₹23409.25 lacs including ₹ 9014.69 lacs towards Capital Expenditure.

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 9001:2015 (Quality Management System Standard)
- ISO 14001:2015 (Environmental Management System Standard)
- OHSAS 18001:2007 (Occupational Health & Safety Management System Standard)
- SA 8000:2014 (Social Accountability Management System Standard)
- ISO/ IEC 17025:2005 (NABL accreditation for Chemical and Mechanical Testing)

Recognitions for Best Practices

Awards conferred during the “9th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week 2018” under the aegis of Directorate General of Mines Safety, Ahmedabad Region are as below:-

S. No.	<u>Awards conferred to Jadua Limestone Mines:</u>	Awarded
I	Publicity Propaganda	First Prize
	<u>Awards conferred to Motiber Silica Sand Mines:</u>	
1.	Observance of safety measures	First Prize
2.	Quarry working and general safety	Second Prize
3.	Appointment of statutory person & maintenance of records	Second Prize
4.	Overall Performance	Third Prize

The Company has also received award during celebration of “Khan Swachhata Pakhwada – 2018” held during 1st May 2018 to 15th May 2018 under the aegis of Directorate General of Mines Safety, Ahmedabad Region, Ministry of Labour & Employment, GOI

S. No.	<u>Awards conferred to Jadua Limestone Mines:</u>	Awarded
I	Participation & Overall Performance	Very Good

Social Media Campaign of the year - 2019

Company has also won the award “Social Media Campaign of the year - 2019” by the prestigious Reality Plus magazine - one of the leading National Real Estate magazine since one and a half decade.

Gujarat Brand Leadership Award 2018

Company has also won the prestigious award “Gujarat Brand Leadership Award - 2018” presented in association with ABP News. The award was presented to the Company for its strong brand presence in the state of Gujarat and notable CSR services in various segments like Education, Healthcare, Water Conservation, Environment Conservation, Disaster Management etc.

India's Best Company of the Year Awards – 2018

Company has also won the India's Best Company of the Year Awards 2018 in India's Best Cement Manufacturing Company Category from Berkshire Media LLC, USA.

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.

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 : 17th May 2019

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

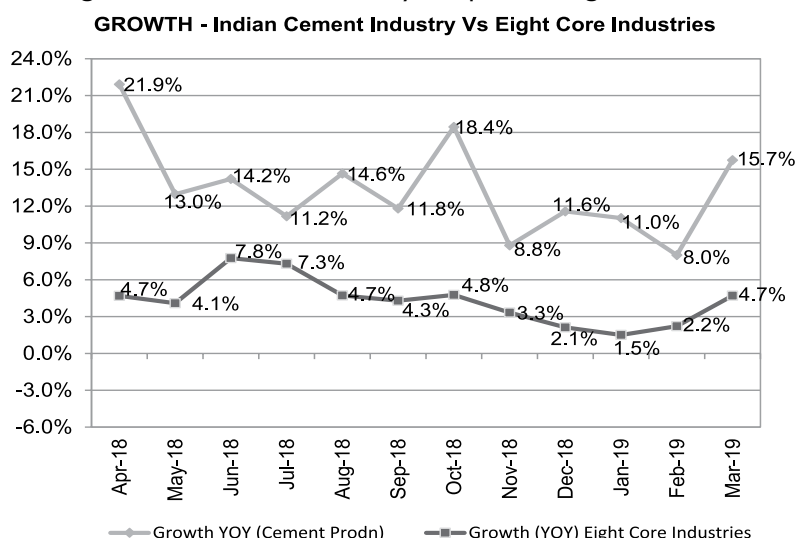
MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 31st March 2019 ("2019"). 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. Further, the information on the economy and industry is based on various reports on industry and websites and the Company is not responsible for any discrepancy/error in the information.

Cement Industry – Present Scenario and Outlook

(source : Government websites, other external reports, etc)

The monthly growth trend during FY-19 of our cement industry compared to eight core industries of India is shown below.



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 Indian cement industry's production increased by 13.3% in FY-19 compared to a growth of 6.3% in FY-18. The cement production was 337.32 million tonne in FY-19 against 297.71 million tonne in FY-18. The capacity utilization during FY-19 was around 67% against 65% during FY-18.

India has a potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Our Government's continued focus on nation-wide infrastructure growth and various affordable housing projects, amongst other initiatives including smart cities, are expected to support demand for cement.

Highlights on End-User Industries

Real Estate

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - 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. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term.

➤ Market Size

Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% of the country's GDP by 2025.

➤ **Investments/Developments**

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Between 2009 to 2018, Indian real estate sector attracted institutional investments worth US\$ 30 billion.

Some of the major investments and developments in this sector are as follows:

- Housing launches across top eight Indian cities increased 75 per cent in 2018 to 182,207 units.
- Warehousing space in top eight Indian cities increased 22 per cent y-o-y in 2018 to 169 mn sq. ft.
- Around 5.1 million sq. ft. of retail space became operational in top seven Indian cities in 2018.

➤ **Government Initiatives**

The Government of India along with the Governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Under the Pradhan Mantri Awas Yojana (PMAY) Urban, more than 6.85 million houses have been sanctioned up to December 2018.

Infrastructure

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

➤ **Investments**

It is estimated that India has a requirement of investment worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space.

➤ **Government Initiatives**

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. The relevant announcements in Union Budget 2019-20 are as follows:

- The Government of India has given a massive push to the infrastructure sector by allocating Rs 4.56 lakh crore (US\$ 63.20 billion) for the sector.
- The Indian Railways received allocation under Union Budget 2019-20 at Rs 66.77 billion (US\$ 9.25 billion). Out of this allocation, Rs 64.587 billion (US\$ 8.95 billion) is capital expenditure.
- Rs 83,015.97 crore (US\$ 11.51 billion) allocated towards road transport and highway.
- Water supply to be provided to all households in 500 cities.

➤ **Achievements**

Following are the achievements of the Government in the past four years:

- The total national highways length increased to 122,434 kms in FY18 from 92,851 kms in FY14. This converts into average construction of national highway per day increased to 26.9 kms per day in FY18 from 11.6 kms per day in FY14.
- India's rank jumped to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" ranking.
- Number of airports has increased to 102 in 2018.

Performance of the Company

1. Recognitions for the Company

The Company has received the following awards.

- Company has also won the India's Best Company of the Year Awards 2018 in India's Best Cement Manufacturing Company Category from Berkshire Media LLC, USA.
- The Company has received the following awards during the "9th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week 2018" under the aegis of Directorate General of Mines Safety, Ahmedabad Region.

S.N.	Awards conferred to Jadua Limestone Mines	Awarded
1	Publicity Propaganda	First Prize
S.N.	Awards conferred to Motiber Silica Sand Mines	Awarded
1	Observance of Safety Measures	First Prize
2	Quarry working & General Safety	Second Prize
3	Appointment of statutory person & maintenance of records	Second Prize
4	Overall Safety Measures	Third Prize

2. 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 9001:2015 (Quality Management System Standard)
- ISO 14001:2015 (Environmental Management System Standard)
- OHSAS 18001:2007 (Occupational Health & Safety Management System Standard)
- SA 8000:2014 (Social Accountability Management System Standard)
- ISO/ IEC 17025:2005 (NABL accreditation for Chemical and Mechanical Testing)

3. Sales

Sales Volume

Product	FY-19 (lac mt)	FY-18 (lac mt)	% (based on actual figures)
Cement	25.74	23.62	9%
Clinker	0.30	0.77	-60%
RMC (M ³)	0.68	0.63	7%
Total	26.72	25.02	7%

Gross Sales (₹Crore)

Product	FY-19	FY-18	Change in FY-19
Cement Domestic	1305.67	1215.78	7%
Cement Export	19.02	38.09	-50%
Clinker Domestic	8.36	3.19	162%
Clinker Export	-	13.07	-100%
RMC (M ³)	25.51	19.36	32%
Total	1358.56	1289.49	5%
Less : GST and Excise Duty	297.95	263.69	13%
Sales Net of Taxes	1060.61	1025.80	3%

4. Costs

The major cost analysis for FY-19 over FY-18 is given below.

- The raw material cost per tonne of sale has increased by around 13% in FY-19 over FY-18, due to higher purchase of fly ash and slag. Company is focused on enhancing the blended cement component in its sales mix. Higher quantity of blended cement requires higher purchase of fly ash and slag, and in turn blended cement also yields higher profitability.
- Power and fuel cost per tonne of sale has increased by around 15% in FY-19 over FY-18. During last year, Company has consumed higher proportion of coal as fuel, since the availability and quality of lignite were adversely affected. Company is importing coal at its own port with minimal inward freight. By blending higher quality coal with lignite, Company is able to achieve improved consistency in production and better quality of clinker.
- Selling and distribution cost per tonne of sale has increased by 3% in FY-19 over FY-18 mainly because of increase in logistic cost. During the first 3 quarters of the year, the diesel cost had moved up significantly, resulting in higher freight cost. With introduction of e-bills and new axle load policy, Company has been able to rationalize its freight favorably.
- The Company is able to achieve its targeted logistic cost for distributing in Maharashtra, by deployment of its own Mini Bulk Carriers.
- The employees cost and other operating administrative expenditure, per tonne of sale, has reduced by 28% and 22% respectively. It is partly on account of lower cost for some heads of expenses in FY-19 and partly on account fixed cost being spread over higher sales volume.

5. Profits and Margins

The Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of ₹181.26 crore in FY-19 against ₹237.81 crore in FY-18.

The PBDIT margin to Net Sales was 16.66% for FY-19 and 22.68% for FY-18.

The profit before tax and and profit after tax were ₹52.60 crore and ₹93.31 crore respectively for FY-19 and FY-18. The Company was not required to make any income tax provision due to carried forward set-offs available to it under the Income Tax laws.

6. Expansion Project

Company's expansion project is progressing well with about 35% completion and broadly as per schedule. The ordering of all key plant and machinery is completed. Multiple expert agencies are engaged for execution and monitoring of the project so that high quality and safety standards are maintained.

7. Disclosure under SEBI (LODR) Regulations, 2015

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations are as follows:

Ratio	Explanation
Schedule V - Part B Clause I Sub - Clause i	
<u>Current Ratio</u>	During the year, funds lying in bank, out of QIP Issue, were utilized for the Capex. Hence the current assets were lower to that extent. There were changes in inventory levels, trade payables and other financial liabilities.
Current year : 2.2 times	
Last year : 3.6 times	
<u>Operating Profit Margin</u>	Higher cost of raw material and power and fuel has adversely affected the operating Margin.
Current year : 7.8%	
Last year : 14.0%	

<u>Net Profit Margin</u> Current year : 4.8% Last year : 8.9 %	Due to reduction in Operating Profit Margin, the Net Profit Margin is adversely affected.
Schedule V - Part B Clause I Sub - Clause j	
<u>Return on Net Worth</u> Current year : 3.2 % Last year : 5.8 %	Due to reduction in Net Profit Margin, the Return on Net Worth is adversely affected.

8. Internal Control Systems

The Company's management is responsible for establishing and maintaining Internal financial controls (IFC) 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.

9. 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.

10. 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.

11. Risk and Concerns

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

- Timely completion of the Expansion project under implementation to double its capacity;
- Successful enhancement of sales, arising out enhanced capacity;
- Volatility in the price and availability of fuel such as lignite, imported coal and pet coke; and
- Foreign exchange fluctuation, since Company is a net foreign exchange user.

12. 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.

Annexure I**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, 2019 is as under:

Sl. No.	Category	Name of Director
I.	Executive Directors	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 (Independent Directors)	Shri Sadashiv Sawrikar Shri R. K. Pandey, Shri D. B. N. Rao Shri D. K. Kambale Shri M. K. Doogar Shri S. Balasubramanian

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 2018-19, four (4) Board Meetings were held on 19th May, 2018, 7th August, 2018, 6th November, 2018 and 6th February, 2019. The Company has observed the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by conducting the Board Meetings within 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 held	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	4	Yes	1	-	-
Shri Aditya Sanghi	4	3	No	3	-	-
Shri Alok Sanghi	4	3	No	3	-	-
Smt. Bina Engineer	4	4	Yes	1	-	-
Shri N. B. Gohil	4	4	No	2	-	-
Shri Sadashiv Sawrikar	4	4	Yes	1	-	-
Shri R. K. Pandey	4	4	No	5	5	-
Shri D. K. Kambale	4	4	No	2	2	-
Shri D. B. N. Rao	4	4	Yes	3	-	-
Shri M. K. Doogar	4	3	No	7	4	3
Shri S. Balasubramanian	4	3	No	7	7	1

**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.

Names of Director	No of Directorship in listed entities including this listed entity	Names of Listed Entities where the person is a Director	Category of Directorship
Shri Ravi Sanghi	1	Sanghi Industries Ltd.	Executive Director
Shri Aditya Sanghi	1	Sanghi Industries Ltd.	Executive Director
Shri Alok Sanghi	1	Sanghi Industries Ltd.	Executive Director
Smt. Bina Engineer	1	Sanghi Industries Ltd.	Executive Director
Shri N. B. Gohil	1	Sanghi Industries Ltd.	Executive Director
Shri Sadashiv Sawrikar	1	Sanghi Industries Ltd.	Independent Director
Shri R. K. Pandey	3	Sanghi Industries Ltd. Jindal Poly Films Ltd. Andhra Cements Ltd.	Independent Director Independent Director Independent Director
Shri D. K. Kambale	2	Sanghi Industries Ltd. Lloyds Metals and Energy Ltd.	Independent Director Independent Director
Shri D. B. N. Rao	2	Sanghi Industries Ltd. Hemadri Cements Ltd.	Independent Director Independent Director
Shri M. K. Doogar	5	Sanghi Industries Ltd. Dalmia Refractories Ltd. Kamdhenu Ltd. Morgan Ventures Ltd. Frick India Ltd.	Independent Director Independent Director Independent Director Independent Director Independent Director
Shri S. Balasubramanian	6	Sanghi Industries Ltd. Emami Paper Mills Ltd. TTK Healthcare Ltd. Machino Plastics Ltd. Ucal Fuel Systems Ltd. GVK Power & Infrastructure Ltd.	Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director

The Board of the Company comprises of an 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 Company has organized plant visit for independent Directors for their better understanding of the manufacturing process of clinker and cement. During plant visit, the respective department heads/technical heads have explained in detail about the manufacturing and other operational facilities at the Plant. The details of the familiarization programme of Independent Directors of the Company is available on the website of the Company at the following link: <http://www.sanghiment.com/independent-director>

Shareholding of Non-Executive Directors as on 31st March, 2019 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 S. Balasubramanian	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 as amended from time to time. During the year, Company has revised the terms of reference of Audit Committee in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

I. Brief description of Terms of Reference:

- The recommendation for appointment, remuneration and terms of appointment of 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 including review of utilization of loans and / or advances from the investments by the holding Company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary whichever is lower, 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;

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidates;
- To review with the management the 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.

II. Composition and Attendance:

During the year 2018-19, four (4) meetings of Audit Committee were held on 19th May, 2018, 7th August, 2018, 6th November, 2018 and 6th February, 2019.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar	Chairman	4	4
Shri R. K. Pandey	Member	4	4
Shri D. K. Kambale	Member	4	4

The Chairman & Managing Director and Executive Director - Finance & 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 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".

I. Brief description of Terms of Reference:

- 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.
- To undertake the activities/matters relating to raising of funds by issue of Equity Shares and/or Preference Shares and/or Convertible and/or Non-Convertible Debentures and/or Bonds, and/or any other financial instruments convertible into equity shares, or such other securities by way of a public or private offering, including through a Qualified Institutional Placement (QIP) in one or more tranches.

II. Composition and Attendance:

The composition, no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar	Chairman	6	6
Shri Ravi Sanghi	Member	6	6
Smt. Bina Engineer	Member	6	6
Shri Aditya Sanghi	Member	6	5
Shri Alok Sanghi	Member	6	5
Shri N. B. Gohil	Member	6	6

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 as amended from time to time. During the year, Company has revised the terms of reference of Nomination and Remuneration Committee in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

I. Brief description of Terms of Reference:

- 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;
- To recommend to the Board, all remuneration in whatever form payable to the senior management; and
- To recommend to the Board, a policy relating to the remuneration for the other Executive Directors.

II. Composition and Attendance:

During the year 2018-19, two (2) meetings of Nomination and Remuneration Committee were held on 19th May, 2018 and 6th February, 2019.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended
Shri D. K. Kambale	Chairman	2	2
Shri Sadashiv Sawrikar	Member	2	2
Shri R. K. Pandey	Member	2	2

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.

III. Performance Evaluation Criteria of Independent Directors:

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.

IV. 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. During the year, Company has revised the Nomination and Remuneration Policy in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

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 as amended from time to time, the Stakeholders Relationship Committee of the Company is in place. During the year, Company has revised the terms of reference of Stakeholders Relationship Committee in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

I. Brief description of Terms of Reference:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Approval of transfer/transmission of securities, deletion of names authorizing the issue of duplicate share certificates and generally dealing with all the matters in connection with all securities issued by the Company from time to time;
- Approve the dematerialization/rematerialization of securities and to deal in all the matters connected with it.

II. Composition and Attendance:

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	No. of Meetings held	No. of Meetings attended
Shri R. K. Pandey	Chairman	16	16
Shri Sadashiv Sawrikar	Member	16	16
Shri Ravi Sanghi	Member	16	16

The Chairman of the Stakeholders Relationship Committee is an Independent Director of the Company. The Company Secretary acts as a Secretary and Compliance officer 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 constituted in line with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 for the purpose of determining the activities to be undertaken by the Company towards the Corporate Social Responsibility (CSR).

I. 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.
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

II. Composition and Attendance:

During the year 2018-19, two (2) meetings of the Corporate Social Responsibility Committee were held on 19th May, 2018 and 6th February, 2019.

The composition, details of no. of meetings held during the year and attendance of each member at the meetings are mentioned as under:

Name of Members	Designation	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

Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, requires top 500 listed companies (determined on the basis of market capitalization as at the end of the immediate previous financial year) to constitute Risk Management Committee. The Company is not falling under the list of top 500 listed companies as on 31st March, 2019. Hence, it is non-mandatory requirement for the Company. However, the Company has constituted a committee known as "Risk Management Committee".

I. 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.
- To adopt best method in the interest of the Company to deal with different kinds of risks being confronted by the Company.

II. Composition and Attendance:

It is not mandatory to convene meeting of Risk Management Committee, hence no meeting was held during the year 2018-19.

The composition of the Committee is mentioned as under:

Name of Members	Designation
Shri Sadashiv Sawrikar	Chairman
Shri Ravi Sanghi	Member
Shri N. B. Gohil	Member

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 6th February, 2019. All Independent Directors were present at the meeting.

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 Management and the Board of Directors.

4. Managerial Remuneration:

Executive Directors

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, if any. 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. 06.09.2017	Five Years w.e.f. 06.09.2017	Three Years w.e.f. 06.09.2016	Three Years w.e.f. 22.12.2017
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, 2019 towards Salary of Chairman & Managing Director and Executive Director(s) are as follows:

(₹ in Lakhs)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Salary and Allowances	187.50	435.00
Commission	53.83	80.74

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 2018-2019.

Non-Executive Directors

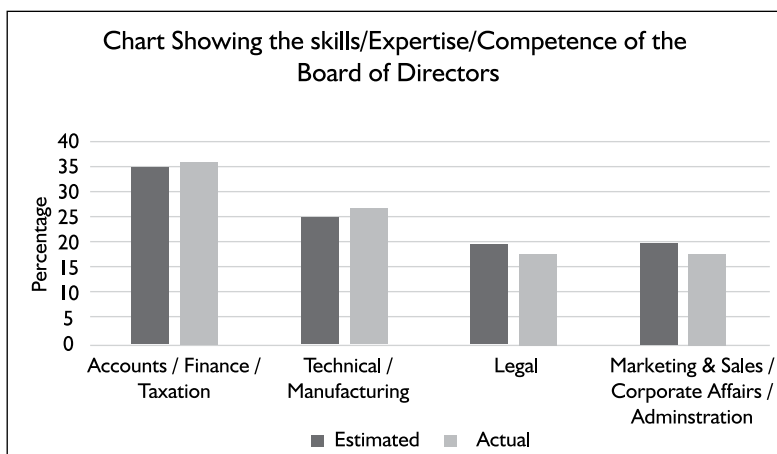
None of the Non-Executive Directors have any pecuniary interest or transactions with the Company, except receiving sitting fee of ₹ 9000 (Rupees Nine Thousand Only) and incidental expenses of ₹ 6000 (Rupees Six Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of ₹ 6000 (Rupees Six Thousand Only) and incidental expenses of ₹ 4000 (Rupees Four Thousand Only) from the Company for attending each meeting of the Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee of Directors and for attending the Independent Directors meeting.

During the year ended 31st March, 2019, the Company has paid the following amount towards sitting fees & incidental expenses to the Directors for attending the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Independent Directors Meetings:

Name of Director	Sitting Fees Amount (₹)	Incidental Expenses (₹)	Total Amount (₹)
Shri Sadashiv Sawrikar	78000	52000	130000
Shri R. K. Pandey	90000	60000	150000
Shri D. K. Kambale	78000	52000	130000
Shri D. B. N Rao	42000	28000	70000
Shri M. K. Doogar	33000	22000	55000
Shri S. Balasubramanian	33000	22000	55000

- A chart setting out the skills/expertise/competence of the Board of Directors:**

The Company has following eleven Directors with adequate composition of required skills/expertise/competencies for our cement industry.



The details of Qualifications/Skills/expertise/competencies of our Board of Directors are as under :

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Ravi Sanghi, Executive Director DIN: 00033594	1 st July 1952	14 th June 1985	Graduate in Commerce Shri Ravi Sanghi is a first generation entrepreneur, he leads the Company with his inspiring vision and commitment. The establishment of one of the India's largest integrated single-stream cement plant in Kutch, by the Sanghi team is the result of his untiring dedication. He carries immense experience in conceptualizing and directing projects across diverse industries and magnitudes.
Shri Aditya Sanghi, Executive Director DIN : 00033755	18th September, 1982	27th January, 2007	Master Degree in Industrial Engineering from Rochester University, USA. He is aged about 36 years and has rich hands on experience in management of operations of the clinker and cement, implementation and operation of thermal power plant. He is responsible for Production, Project and Corporate Strategy.
Shri Alok Sanghi, Executive Director DIN: 00033506	13 th January, 1984	27 th January, 2007	Armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA. Alok Sanghi, brings immense knowledge and experience of the global Financial Services sector. Under his direction the Company has successfully launched products in Domestic and International Markets. His business acumen lends crucial competence to the commercial, shipping, marketing strategies and corporate affairs of the Company.
Smt. Bina Engineer, Executive Director DIN : 01653392	13 th April, 1967	27 th January, 2007	B.Com, Chartered Accountant having rich and varied experience of more than two decades in the areas of Project and Corporate finances. She has successfully arranged the project funds, take out finance, working capital requirements etc. She is responsible for the Corporate and Project Finance affairs of the Company.
Shri. Nirubha B. Gohil, Executive Director DIN : 05149953	16th June, 1950	22nd December, 2011	Diploma in Mechanical Engineering. He is aged about 68 years and is having rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants.
Shri Sadashiv Sawrikar, Independent Director DIN : 02073022	10th August, 1954	1st November, 1988	B.Com, LLB, Chartered Accountant. He is aged about 64 years and is having a rich and varied experience in Finance, Corporate Restructuring and other various Finance Related Areas.
Shri Devidas Kashinath Kambale, Independent Director DIN : 00020656	1 st June, 1951	12th August, 2011	M.Com, CAIIB, MFM. He is aged about 67 years and is having a rich and varied experience in Banking and Finance.

Shri Dabbir Badri Narayan Rao, Independent Director DIN : 01180539	14 th April, 1947	22 nd December, 2011	BE in Mechanical Engineering, M Tech in Design and Production Engineering and Diploma Holder in Cement, Building Materials & Construction Technology from Manila. He is aged about 71 years and is having a rich and varied experience in Erection & Commissioning, Operations and Maintenance of Cement Plants. Associated with many Private and Government Cement Sector Organisations.
Shri Sundaram Balasubramanian, Independent Director DIN: 02849971	3 rd November, 1942	9 th November, 2017	He is a Commerce and Law Graduate and also an Associate Member of the Institute of Chartered Accountants of India, Company Secretaries of India and Management Accountants of India. He is also a member of Delhi Bar Council. He has vast experience in Corporate Laws. He was the Chairman of the Company Law Board for 12 years and had dealt with more than 3000 cases.
Shri Radha Krishna Pandey, Independent Director DIN: 00190017	20 th January, 1940	30 th April, 2010	M. Com, LLB, Company Secretary, Post Graduate Diploma in Business Administration. He is aged 78 years and is having a rich and varied experience in Finance and Capital Market.
Shri Mahendra K. Doogar, Independent Director DIN : 00319034	1 st July, 1951	11 th February, 2016	Graduate from Commerce Stream and a qualified Chartered Accountant. He is in practice since 1976 and acquired wide experience and exposure in the field of Corporate finance, Taxation, Statutory and Internal Audit, Investment banking.

Confirmation regarding 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 fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

5. Subsidiary Company

As at 31st March 2019, the Company does not have any Subsidiary Company.

6. Particulars for Investors:

Name and Designation of Compliance Officer:

Shri Anil Agrawal - Company Secretary & Compliance Officer.

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, 2019, no investor complaint out of the total complaints received during the year, was pending for redressal.

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 Investors' Complaints during the Financial Year 2018-19 as under:

Particulars	No. of Complaints
Complaints at the beginning of the year	1
Complaints received during the year	7
Complaints resolved during the year	8
Complaints remain unresolved at the end of the year	0

7. General Body Meetings

Location, date and time of Annual General Meetings held during the last three years and special resolutions passed:

Year	Date	Venue	Time	No. of Special Resolutions passed
2018	03.07.2018	Registered Office at Sanghinagar, P.O. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511	10.00 a.m.	3
2017	24.06.2017	Registered Office at Sanghinagar, P.O. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511	10.00 a.m.	8
2016	09.07.2016	Registered Office at Sanghinagar, P.O. 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 2018-19.

8. Disclosures

- Particulars of the related party transactions are listed out in Note 34 of the Notes of Accounts of Annual Report. However, there were no materially significant related party transactions during the financial year 2018-19 that may have potential conflict with the interest of the Company at large. The Company has duly formed policy for related party transaction which is uploaded on the website of the Company at <http://www.sanghiment.com/policies>
- The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market during the last three years.
- 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 uploaded on the website of the Company at <http://www.sanghiment.com/policies>
- The Company has complied with all the mandatory requirements of the listing regulations, in respect to the Corporate Governance.
- 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.

The following non-mandatory requirements have been adopted by the Company.

- The report of Auditors is with unmodified opinion with respect to the Audited Financial Results of the Company for the quarter and year ended 31st March, 2019.
- The Internal Auditors report directly to the Audit Committee.
- 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.

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 <http://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 <http://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.

8. General Shareholder Information

A. General Information:

Annual General Meeting Day, Date & Time Venue	: On or before 30 th September, 2019 : at Sanghinagar P.O. Hayatnagar Mandal, Ranga Reddy : District, Telangana – 501 511
Financial Year/Calendar 1. Results for first quarter ending 30 th June, 2019 2. Results for second quarter ending 30 th September, 2019 3. Results for third quarter ending 31 st December, 2019 4. Results for fourth quarter ending 31 st March, 2020	: 1st April, 2019 to 31st March, 2020 : On or before 14 th August, 2019 : On or before 14 th November, 2019 : On or before 14 th February, 2020 : On or before 30 th May, 2020
Listing on Stock Exchanges Equity Shares Debt Securities (Debentures)	: 1. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 2. National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/I, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 : BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 The Company has paid the listing fees for both Equity and Debt Securities as applicable to the above stock exchanges.

Stock Code	:	
BSE	:	526521
NSE	:	SANGHIIND
ISIN (NSDL & CDSL)	:	INE999B01013
Dividend Payment Date	:	Not Applicable
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
Address for Investors Correspondence	:	To the Company at its registered office address
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

B. 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.

As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed after 31st March, 2019, unless the securities are held in the dematerialized form with the depositories.

C. 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.

D. Market Price Data:

Monthly high/low price of shares of the Company traded on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) during the financial year 2018-19 are as under:

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-2018	127.65	111.05	127.30	110.60
2	May-2018	113.40	90.40	113.85	90.35
3	Jun-2018	99.00	75.50	98.90	74.95

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
4	Jul-2018	96.80	76.00	96.55	77.70
5	Aug-2018	96.55	80.10	96.85	80.00
6	Sept-2018	89.95	65.20	90.30	62.20
7	Oct-2018	71.50	58.10	72.45	58.05
8	Nov-2018	65.55	54.00	65.80	58.30
9	Dec-2018	64.60	52.80	64.50	52.50
10	Jan-2019	61.70	53.45	61.95	53.00
11	Feb-2019	60.00	51.00	58.00	49.65
12	Mar-2019	68.00	55.70	67.75	55.65

E. Distribution of Equity Shareholding as on 31st March, 2019

No. of Shares	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	22735	82.05	3479814	1.39
501 – 1000	2385	8.61	1957530	0.78
1001 – 2000	1177	4.25	1846471	0.73
2001 – 3000	427	1.54	1118366	0.45
3001 – 4000	200	0.72	732477	0.29
4001 – 5000	183	0.66	880013	0.35
5001 – 10000	291	1.05	2227689	0.89
10001 – and above	311	1.12	238757640	95.12
Total	27709	100.00	251000000	100.00

F. Distribution of Equity Shareholding according to categories of Shareholders as on 31st March, 2019

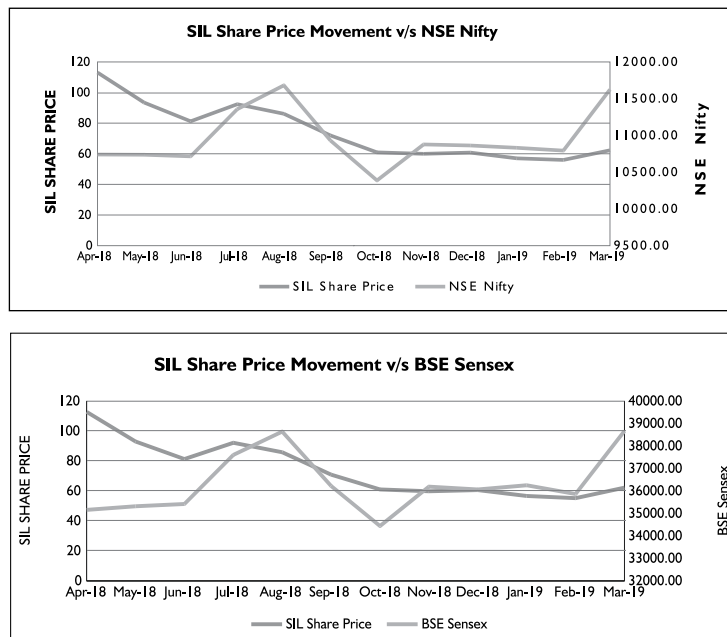
Category	No. of Shares	Amount (in Rs)	% to total
Promoter & Promoter Group	164943167	1,64,94,31,670	65.71
Public			
a) Mutual Funds	29574581	29,57,45,810	11.78
b) Alternative Investment Funds	1384380	1,38,43,800	0.55
c) Foreign Portfolio Investor	11945337	11,94,53,370	4.76
d) FIIs/Banks	110475	11,04,750	0.04
e) Insurance Companies	-	-	-
f) FII	-	-	-
g) Non-resident Indians/OCBs	762265	76,22,650	0.30
h) Trust	31000	3,10,000	0.01
i) Clearing Members	527043	52,70,430	0.21
j) Bodies Corporate	18448492	18,44,84,920	7.35
k) Individual/HUF	23273260	23,27,32,600	9.27
Total	251000000	251,00,00,000	100.00

G. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

As on 31st March, 2019, more than 99.99% of the Equity Share Capital, representing 25,09,90,145 shares were held in demat mode.

Performance in comparison to the Broad-based indices:



H. Non-Convertible Debentures:

The Company has issued following Non-Convertible Debentures on Private Placement basis with a fixed coupon rate of 10.50% listed on 'Wholesale Debt Market' Segment of BSE Limited.

Sr.	Script Code	ISIN	Description
I	957688	INE999B07028	2560 Secured, Listed, Rated, Redeemable, Non-Convertible Debentures of Face Value of ₹ 10,00,000/- each

I. Details of Debenture Trustee:

M/s. IDBI Trusteeship Services Limited
 Mr. Subrat Udgate
 17, R. Kamani Marg, Ballard Estate,
 Mumbai – 400 001.
 Tel: +91 22-40807000, Fax: +91 22-66311776
 Email: subrat@idbitrustee.com
 Website: <http://www.idbitrustee.com>

J. Credit Rating of Non-Convertible Debentures:

Company has issued 2560 Secured, Listed, Rated, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹10,00,000/- each on Private Placement basis during the FY 2017-18.

During the year under review, following credit rating has been obtained for the said NCDs.

Particulars	Rating
At the beginning of the year	[ICRA] A- (pronounced as ICRA A minus)
At the end of the year	[ICRA] A (pronounced as ICRA A)

K. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

There is no outstanding GDRs/ADRs/warrants or any convertible instruments as on date.

L. Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

M. Total fees for all services paid by the Company to the Statutory Auditors:

Payment to Joint Statutory Auditors	Amount (₹ In Cr)
Payment for Statutory Audit	0.20
Payment for other Services	0.03
Payment For Other Services related to Capex	0.16
Total	0.39

9. 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.

10. Declaration regarding affirmation of Code of Conduct

Pursuant to the provisions of Regulation 17 and requirement of Part D of Schedule V 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 2018-2019. The Code of Conduct is also posted on the website of the Company www.sanghiment.com/policies.

11. Details of utilization of funds raised through Qualified Institutions Placement as specified under Regulation 32 (7A)

The Company has raised ₹ 400.17 Crore through Qualified Institutions Placement (QIP) by issuing 3,10,21,000 Equity Shares of ₹10/- each at an issue price of ₹129/- each (including premium of ₹119/- each) to Qualified Institutional Buyers (QIB) during the Financial year 2017-18.

The Company has utilized ₹ 278.25 Crore towards Issue expenses and Capital Expenditure. The Unutilized balance of QIP is ₹ 121.92 Crore as on 31.03.2019 which is booked as Short Term Deposits with the Bank and remaining balances with Bank under Cash and Cash Equivalent.

For and on behalf of the Board

Place: Ahmedabad
Date : 17th May, 2019

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

CERTIFICATE

To,
The Members,
SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581

We have examined the compliance of conditions in respect of all the directors on the Board of **SANGHI INDUSTRIES LIMITED**, for the year ended on March 31, 2019 in order to issue certificate as stipulated in Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

On the basis of examination and verification of relevant records and documents maintained by the Company and according to the information and explanations given to us and representation made by the directors, we hereby certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority during the year ended on March 31, 2019.

For, Parikh Dave & Associates
Company Secretaries

Umesh G. Parikh
Partner

Practicing Company Secretary
FCS No. 4152 C P No. 2413

Place : Ahmedabad
Date : 13th May, 2019

CEO/CFO CERTIFICATION

The Board of Directors
Sanghi Industries Limited

We certify that:

1. We have reviewed the financial statements and cash flow statement of Sanghi Industries Limited (the “**Company**”) for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2019, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee, wherever applicable:
 - (a) significant changes in internal control over financial reporting during the year, if any;
 - (b) significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Ahmedabad
Date: 17th May, 2019

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Bina Engineer
Whole-time Director & CFO
(DIN: 01653392)

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 and Remuneration 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 and Remuneration Committee plays a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for senior management positions. It provides its advice and recommendations to the Board.

Senior Management of the Company consist of:

All the officers/personnel of the Company involved in the core management team and all the members excluding the Board of Directors of the management that are one level below CEO/MD/MTD/Manager and includes the Chief Financial Officer and Company Secretary of the Company.

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 ensure that the Independent Directors continues to fulfill the Independence criteria as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- 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;
- To decide extension or to continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To recommend for continuation of term of Independent Directors who have attained the age of 75 years; 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 recommend the remuneration payable to the Senior Management of the Company in accordance with the Remuneration Policy of the Company 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 : 17th May, 2019

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,

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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2019 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, 2019 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 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018) -Not applicable as the Company has not issued any shares/securities 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;
- (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, 1998 - 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 issued by The Institute of Company Secretaries of India (ICSI) and made effective from time to time.
- (ii) The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

During the Audit period under review, the Company has 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, Non-Executive Directors and Independent Directors. There was no change in the Composition of the Board during the year under review.

Adequate notice is given to all directors to schedule the Board Meetings in due compliance of law. 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.

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**

**Umesh G. Parikh
Partner**

**Place : Ahmedabad
Date : 13th May, 2019**

**Practicing Company Secretary
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 process 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 process 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 procedure 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**

**Umesh G. Parikh
Partner**

**Practicing Company Secretary
FCS No. 4152 C P No. 2413**

**Place : Ahmedabad
Date : 13th May, 2019**

Annexure IV

DISCLOSURE UNDER SECTION 197(12) AND RULE 5 (I) 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, 2019:

Sr. No.	Director	Remuneration (₹ in lacs P.A.)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	241.33	5.60	43
2.	Shri Aditya Sanghi	151.92	5.60	27
3.	Shri Alok Sanghi	151.91	5.60	27
4.	Smt. Bina Engineer	151.91	5.60	27
5.	Shri N. B. Gohil	60.00	5.60	11

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

Sr. 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	4.94

The Other Directors are Non-Executive Directors and are receiving sitting fee of ₹ 9000 (Rupees Nine Thousand Only) and incidental expenses of ₹ 6000 (Rupees Six Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of ₹ 6000 (Rupees Six Thousand Only) and incidental expenses of ₹ 4000 (Rupees Four Thousand Only) from the Company for attending each meeting of the Audit Committee/Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Risk Management Committee of Directors and for attending the Independent Directors meeting.

- (iii) The percentage increase/decrease in the median remuneration of employees in the financial year: 6.87%
- (iv) The number of permanent employees on the rolls of Company : 857 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/decrease in salaries of employees other than managerial personnel in 2018-19 was 17.77%. Percentage increase in the managerial remuneration for the year was 0.18%.

- (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 : 17th May, 2019

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

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 <http://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 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	72.92

4. Prescribed CSR expenditure

Prescribed CSR expenditure is as detailed below:

Particulars	(₹ In Crore)
Prescribed CSR expenditure (2% of ₹ 72.92 Crore)	1.46

5. Details of CSR spent during the financial year 2018-19

Particulars	(₹ In Crore)
(a) Total amount spent during the year	1.54
(b) Amount unspent if any	Nil

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

(Amount in ₹)

Sr. 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 (₹)	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	8,00,000	8,03,371	8,03,371	Direct
2.	Dada Dadi Park	Setting up of old age homes, day care centers and such other facilities for senior citizens	Kutch, Gujarat	1,00,000	1,07,697	9,11,068	Direct

Sr. 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 (₹)	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.	Green Belt Development	Ensuring the environment sustainability, ecological balance and protection of flora and fauna	Kutch, Gujarat	77,00,000	76,47,727	85,58,795	Direct
4.	Scholarship to village students	Promoting education including special education and employment enhancing vocation skills	Kutch, Gujarat	50,000	30,000	85,88,795	Direct
5.	Donation to Akshay Patra for sponsoring mid day meals for students	Eradicating hunger, poverty and malnutrition	Ahmedabad	2,50,000	2,34,660	88,23,455	Direct
6.	Shree Mata na Madh Devi Pilgrim Seva Camp	Protection and promotion of Culture	Kutch, Gujarat	1,50,000	1,57,883	89,81,338	Direct
7.	Social & Welfare Activity	Rural Development Projects	Kutch, Gujarat	10,00,000	9,62,380	99,43,718	Direct
8.	Water pipeline-Water project	Promoting health care and sanitation	Kutch, Gujarat	5,50,000	5,40,000	1,04,83,718	Direct
9.	Education activities-School Expenses	Promoting Education including special education and employment enhancing vocation skills	Kutch, Gujarat	32,00,000	32,45,986	1,37,29,704	Trust

Sr. 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 (₹)	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*
10.	Education activities-School Expenses	Promoting Education including special education and employment enhancing vocation skills	Ahmedabad, Gujarat	1,00,000	1,00,000	1,38,29,704	Direct
11.	Donation for the Development of underprivileged children	Livelihood enhancement projects.	Kutch, Gujarat	1,00,000	91,562	1,39,21,266	Direct
12	Donation to Disaster Relief Fund, Kerala	Contribution towards disaster relief for medical aid, Supply of food and clean water to the affected people in disaster.	Kerala	5,00,000	4,93,675	1,44,14,941	Direct
13	Donation for Restoration of Adi Sankara Vimana Mandapam	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art	Allahabad, Uttar Pradesh	10,00,000	10,00,000	1,54,14,941	Direct
				1,55,00,000	1,54,14,941	1,54,14,941	

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.

Place: Ahmedabad
Date : 17th May, 2019

R. K. Pandey
Chairman-CSR Committee
(DIN: 00190017)

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURNas on financial year ended on 31st March, 2019

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L18209TG1985PLC005581
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 / Indian 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	97.47%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					

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(01.04.2018)				No. of Shares held at the end of the year(31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	81132307	-	81132307	32.32	81120692	-	81120692	32.32	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	83813475	-	83813475	33.39	83822475	-	83822475	33.39	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (I)	164945782	-	164945782	65.71	164943167	-	164943167	65.71	-

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2018)				No. of Shares held at the end of the year(31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	164945782	-	164945782	65.71	164943167	-	164943167	65.71	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	17726543	-	17726543	7.06	29574581	-	29574581	11.78	4.72
b) Banks/Fl	187694	-	187694	0.07	110475	-	110475	0.04	-0.03
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	3490350	-	3490350	1.39	-	-	-	-	-1.39
g) Flls	40918	-	40918	0.02	-	-	-	-	-0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(a) Alternate Investment Funds	1942838	-	1942838	0.77	1384380	-	1384380	0.55	-0.22
(b) Foreign Portfolio Investor	21967262	-	21967262	8.75	11945337	-	11945337	4.76	-3.99
SUB TOTAL (B)(1):	45355605	-	45355605	18.07	43014773	-	43014773	17.14	-0.93
(2) Non Institutions									
a) Bodies corporates									
i) Indian	19434930	7630	19442560	7.75	18448492	-	18448492	7.35	-0.40
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	12184009	2575	12186584	4.86	12529556	9855	12539411	5.00	0.14
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	7808983	-	7808983	3.11	10733849	-	10733849	4.28	1.17
c) Others (specify)									
NRI	716951	-	716951	0.29	762265	-	762265	0.30	0.02
Clearing Members	512535	-	512535	0.20	527043	-	527043	0.21	0.01
Trust	31000	-	31000	0.01	31000	-	31000	0.01	-
SUB TOTAL (B)(2):	40688408	10205	40698613	16.22	43032205	9855	43042060	17.15	0.93
Total Public Shareholding (B)= (B)(1)+(B)(2)	86044013	10205	86054218	34.29	86046978	9855	86056833	34.29	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	250989795	10205	251000000	100.00	250990145	9855	251000000	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the Beginning of the year (01.04.2018)					Shareholding at the end of the year (31.03.2019)					% change in share holding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged (a)	% of Shares on which Non Disposal Undertaking (NDU) Created (b)	% of shares encumbered to total shares (a+ b)	No. of shares	% of total shares of the Company	% of Shares pledged (a)	% of Shares on which Non Disposal Undertaking (NDU) Created (b)	% of shares encumbered to total shares (a+ b)	
1	Shri Ram Sharan Sanghi	187000	0.07	100.00	-	100.00	187000	0.07	100.00	-	100.00	-
2	Shri Ravi Sanghi	49878750	19.87	77.95	-	77.95	49869750	19.87	72.13	24.56	96.68	-
3	Shri Gireesh Sanghi	1354457	0.54	13.81	-	13.81	1354457	0.54	13.81	-	13.81	-
4	Smt. Kamala Rani Sanghi	140250	0.06	100.00	-	100.00	140250	0.06	100.00	-	100.00	-
5	Smt. Anita Sanghi	1020200	0.41	100.00	-	100.00	1020200	0.41	100.00	-	100.00	-
6	Smt. Alka Sanghi	1074150	0.43	13.06	-	13.06	1071535	0.43	13.09	-	13.09	-
7	Ms. Ekta Sanghi	343750	0.14	100.00	-	100.00	343750	0.14	100.00	-	100.00	-
8	Ms. Aarti Sanghi	343750	0.14	100.00	-	100.00	343750	0.14	100.00	-	100.00	-
9	Shri Ravi Sanghi HUF	7866000	3.13	100.00	-	100.00	7866000	3.13	100.00	-	100.00	-
10	Shri Gireesh Sanghi HUF	7866000	3.13	100.00	-	100.00	7866000	3.13	100.00	-	100.00	-
11	Shri Aditya Sanghi	2889500	1.15	100.00	-	100.00	2889500	1.15	100.00	-	100.00	-
12	Shri Alok Sanghi	2889500	1.15	100.00	-	100.00	2889500	1.15	100.00	-	100.00	-
13	Shri Ashish Sanghi	2639500	1.05	100.00	-	100.00	2639500	1.05	100.00	-	100.00	-
14	Shri Gaurav Sanghi	2639500	1.05	100.00	-	100.00	2639500	1.05	100.00	-	100.00	-
15	SZF Private Limited	6884000	2.74	100.00	-	100.00	6884000	2.74	100.00	-	100.00	-
16	Sanghi Threads Private Limited	1754000	0.70	100.00	-	100.00	1754000	0.70	100.00	-	100.00	-
17	Sanghi Filaments Private Limited	2287500	0.91	100.00	-	100.00	2287500	0.91	100.00	-	100.00	-
18	Sanghi Poly Zips Private Limited	1482500	0.59	100.00	-	100.00	1482500	0.59	100.00	-	100.00	-
19	Sanghi Synthetics Private Limited	1675000	0.67	100.00	-	100.00	1675000	0.67	100.00	-	100.00	-
20	Alpha Zippers Private Limited	1675000	0.67	100.00	-	100.00	1675000	0.67	100.00	-	100.00	-
21	Fancy Zippers Private Limited	1468750	0.59	100.00	-	100.00	1468750	0.59	100.00	-	100.00	-
22	Balaji Zippers Private Limited	2775000	1.11	100.00	-	100.00	2775000	1.11	100.00	-	100.00	-
23	SKK Zippers Private Limited	3575000	1.42	100.00	-	100.00	3575000	1.42	100.00	-	100.00	-
24	Maruti Fastners Private Limited	1468750	0.59	100.00	-	100.00	1468750	0.59	100.00	-	100.00	-
25	Sanghi Polymers Private Limited	4700000	1.87	100.00	-	100.00	4700000	1.87	100.00	-	100.00	-
26	Samruddhi Investors Services Pvt.Ltd.	54067975	21.54	14.13	-	14.13	54067975	21.54	4.62	95.36	99.98	-
	Total:	164945782	65.71	63.91	-	63.91	164943167	65.71	59.03	38.69	97.72	-

(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	Shri Ravi Sanghi				
	At the beginning of the year	49878750	19.87	49878750	19.87
	Decrease in Shareholding				
	Transfer on 16 th November, 2018	-9000	-	49869750	19.87
	At the end of the year	49869750	19.87	49869750	19.87
2	Smt. Alka Sanghi				
	At the beginning of the year	1074150	0.43	1074150	0.43
	Decrease in Shareholding				
	Sale of Shares in open market on various dates	-2615	-	1071535	0.43
	At the end of the year	1071535	0.43	1071535	0.43
3	Samruddhi Investors Services Private Limited				
	At the beginning of the year	54067975	21.54	54067975	21.54
	Increase in Shareholding				
	Purchase of Shares from open market				
	19th November 2018	9000	-	54067975	21.54
	At the end of the year	54067975	21.54	54067975	21.54

(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	Reliance Capital Trustee Co Ltd (through Multiple Schemes)	9186686	3.66	12973984	5.17
2	Navdurga Voyage Pvt. Ltd.	8143468	3.24	8143468	3.24
3	Aditya Birla Sun Life Trustee Private Limited (through Multiple Schemes)	6399857	2.55	8035857	3.20
4	Balaji Voyage Private Limited	7519446	3.00	7456816	2.97
5	Government Pension Fund Global, Norway	9722000	3.87	7430034	2.96
6	Franklin India Smaller Companies Fund	-	-	7304740	2.91
7	Ashish Agarwal	-	-	2020943	0.81
8	Suresh Kumar Agrawal	2000000	0.80	2000000	0.80
9	Ashmore India Opportunities Fund	1035838	0.41	1384380	0.55
10	Rams Equities Portfolio Fund-India Equities Portfolio Fund	1944370	0.77	1300000	0.52
11	The Nomura Trust And Banking Co. Ltd as The Trustee Of Nomura India Stock Mother Fund	5425600	2.16	-	-
12	Max Life Insurance Company Limited (through Multiple Schemes)	3490350	1.39	-	-
13	DSP Blackrock India T.I.G.E.R. Fund	1260000	0.50	1260000	0.50

(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	49878750	19.87	49878750	19.87
	Decrease in Shareholding				
	Transfer	-9000	-	49869750	19.87
	At the end of the year	49869750	19.87	49869750	19.87
2	Shri. Aditya Sanghi, Whole Time Director				
	At the beginning of the year	2889500	1.15	2889500	1.15
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	2889500	1.15	2889500	1.15
3	Shri. Alok Sanghi, Whole Time Director				
	At the beginning of the year	2889500	1.15	2889500	1.15
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	2889500	1.15	2889500	1.15
4	Smt. Bina Engineer, Whole Time Director & CFO				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
5	Shri N.B. Gohi, Whole Time Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
6	Shri Sadashiv Sawarikar, Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
7	Shri D.K. Kambale, Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
8	Shri D.B.N. Rao, Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
9	Shri R.K. Pandey, Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
10	Shri M.K. Doogar, Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-

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
	At the end of the year	-	-	-	-
I 1	Shri S. Balasubramanian, Director				
	At the beginning of the year	-	-	-	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	-	-	-	-
I 2	Shri Anil Agrawal, Company Secretary				
	At the beginning of the year	100	-	100	-
	Decrease / Increase in shareholder	-	-	-	-
	At the end of the year	100	-	100	-

V INDEBTEDNESS

(in ₹ in Crore)

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

	Secured Loans (without IND AS effect) excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	746.71	-	-	746.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.19	-	-	4.19
Total (i + ii + iii)	750.90	-	-	750.90
Change in Indebtedness during the financial year				
Additions	146.56	24.34	-	170.90
Addition / (Reduction) in interest accrued during the year	1.47	-	-	1.47
Reduction (Net of Forex Fluctuation)	99.36	-	-	99.36
Net Change	48.67	24.34	-	73.01
Indebtedness at the end of the financial year				
i) Principal Amount	793.91	24.34	-	818.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.66	-	-	5.66
Total (i + ii + iii)	799.57	24.34	-	823.91

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
1	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.	18,750,000	12,500,000	12,500,000	12,500,000	6,000,000	62,250,000
(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	5,383,000	2,691,500	2,691,500	2,691,500	-	13,457,500
	as % of profit					-	-
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	24,133,000	15,191,500	15,191,500	15,191,500	6,000,000	75,707,500
	Ceiling as per the Act	As per amended provisions and relevant Rules of Companies Act, 2013, the ceiling limit for Managerial remuneration is not applicable and Company has paid Remuneration to its Managerial Personnel in Compliance of Schedule V of the Companies Act, 2013.					

B. Remuneration to other directors:

(in ₹)

Sl. No	Particulars of Remuneration	Name of the Directors						Total Amount
1	Non-Executive Directors	Shri Sadashiv Sawarikar	Shri R.K. Pandey	Shri D.K. Kambale	Shri D.B.N. Rao	Shri M.K. Doogar	Shri S. Balasubramanian	
(a)	Fee for attending board/committee meetings	78000	90000	78000	42000	33000	33000	354000
(b)	Commission	-	-	-	-	-	-	-
(c)	Others - Incidental Expenses	52000	60000	52000	28000	22000	22000	236000
	Total	130000	150000	130000	70000	55000	55000	590000
	Total Managerial Remuneration							76297500
	Overall Ceiling as per the Act.	As per amended provisions and relevant Rules of Companies Act, 2013, the ceiling limit for Managerial remuneration is not applicable and Company has paid Remuneration to its Managerial Personnel in compliance of Schedule V of the Companies Act, 2013.						

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.	2,496,864	2,496,864
	(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	2,496,864	2,496,864

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: 17th May, 2019
Place: Ahmedabad

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

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, 2019 as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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 S.K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

S.K. Mehta
Partner
Membership No. 010780

Ahmedabad : May 17, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanghi Industries Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sanghi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 Companies Act, 2013 (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 March 31, 2019, its Profit and total Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Sr No.	Key Audit Matter	Description of Key Audit Matter	How Key Audit Matter was Addressed in our Audit
1	Plant Property and Equipment and Capital Work in Progress	<p>Property, plant and equipment requires the management to exercise significant judgment in relation to the estimate of depreciable lives of the assets considering the technical factors which may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year.</p> <p>The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually.</p> <p>With effect from January 1, 2019 the management has reviewed its useful life of Plant & Machinery from 25 years to 30 years and the residual value from 5% to 10%</p> <p>The management has taken technical report from a chartered engineer as a external confirmation for change in useful life and residual value</p> <p>We focused on this matter because of the:</p> <p>Change in accounting estimates as management has reviewed the useful life of assets.</p> <p>Complexity involved in determining the residual value and useful life.</p>	<p>Our audit procedures in relation to the depreciable life of Property, Plant and Equipment included:</p> <p>Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment.</p> <p>Review the management's internal note for review and change in the accounting estimate and working of the depreciation prospectively from January 1, 2019 to March 31, 2019.</p> <p>Benchmarking the useful life of plant & machinery by comparing the peers in the cement industry.</p> <p>Placing the reliance on the technical report of Chartered Engineer for complexity involved in the residual value of plant & machinery</p> <p>Review of the internal assessment done by the management and independent opinion done by the management.</p> <p>Assessment of appropriateness of disclosures provided in the financial statements.</p>

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Other Information

The Company's Board of Director is responsible for the preparation of the other information. The other information comprises of the Directors' Report including Annexures and Corporate Governance report but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Sanghi Industries Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

Sanghi Industries Limited

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts except as disclosed in Note 30 for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2019.

For Chaturvedi & Shah LLP,
Chartered Accountants
Firm's Registration No: 101720W/W100355

For S.K Mehta & Co,
Chartered Accountants
Firm's Registration No:000478N

Vitesh D. Gandhi
Partner
Membership Number: 110248

S. K. Mehta
Partner
Membership Number: 010870

Place of Signature: Ahmedabad
Date: May 17, 2019

Place of Signature: Ahmedabad
Date: May 17, 2019

Sanghi Industries Limited

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF SANGHI INDUSTRIES LIMITED

(Referred to in paragraph I under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- i) In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) As per the information and explanations provided to us, title deeds of immovable properties 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) 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. Consequently, the requirement of reporting under clause (iii) (a) to clause (iii) (c) of Paragraph 3 of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence reporting under clause (iv) of Paragraph 3 of the Order is not applicable to the Company to that extent.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under. Therefore, the reporting under clause (v) of Paragraph 3 of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (l) of Section 148 of the Act and the Rules framed there under and we are of opinion that prima facie, the prescribed amounts and records have been made and maintained. We have not, however, made detailed examination of the records with the view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues :
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Service Tax and other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax, on account of any dispute, which have not been deposited except other than disclosed hereunder:

Sanghi Industries Limited

Name of Statute	Nature of Dues	Amount (in Crore)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	52.96	Various years	Customs, Excise & service tax Appellate Tribunal
Service Tax The Finance Act, 1994	CENVAT Credit	6.78	Various years	Customs, Excise & service tax Appellate Tribunal
Custom Act, 1962	Custom Duty	12.41	2005-10	Customs, Excise & service tax Appellate Tribunal
Sales Tax	Sales Tax	1.76	Various years	Joint Commissioner Appeal, Rajkot
Gujarat Electricity Duty Act, 1968	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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, banks, governments or dues to the debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer including debt instruments during the year.
- x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment of shares or fully or partly converted debentures during the year. The company has disclosed the end use of Money received from Qualified Institutional Placement ("QIP") raised in the previous year in Note 10 D) of Notes to the Financial Statements.
- xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transaction with its directors or persons connected with him and hence, reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah LLP,
Chartered Accountants
Firm's Registration No: 101720W/W100355

Vitesh D. Gandhi
Partner
Membership Number: 110248

Place of Signature: Ahmedabad
Date: May 17, 2019

For S.K Mehta & Co,
Chartered Accountants
Firm's Registration No:000478N

S. K. Mehta
Partner
Membership Number: 010870

Place of Signature: Ahmedabad
Date: May 17, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF SANGHI INDUSTRIES LIMITED

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**Opinion**

We have audited the internal financial controls over financial reporting of **Sanghi Industries Limited** (“the Company”) as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 31st March, 2019, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”).

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to on audit of internal financial control, both applicable to an audit of internal financial controls and 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 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.

**For Chaturvedi & Shah LLP,
Chartered Accountants**

Firm's Registration No: 101720W/W100355

Vitesh D. Gandhi

Partner

Membership Number: 110248

Place of Signature: Ahmedabad

Date: May 17, 2019

**For S.K Mehta & Co,
Chartered Accountants**

Firm's Registration No:000478N

S. K. Mehta

Partner

Membership Number: 010870

Place of Signature: Ahmedabad

Date: May 17, 2019

Sanghi Industries Limited

BALANCE SHEET AS AT 31 MARCH 2019

₹ in crores

Particulars	Note	31 March 2019	31 March 2018
I ASSETS			
I Non-current assets			
(a) Property, plant and equipment	2	1,605.06	1,508.72
(b) Capital work in progress	2	436.82	293.58
(c) Deferred tax assets (net)	3	86.05	87.09
(d) Other non current assets	4	103.41	33.66
Total non current assets		2,231.34	1,923.05
2 Current assets			
(a) Inventories	5	237.28	147.49
(b) Financial Assets			
(i) Trade receivables	6	44.18	32.08
(ii) Cash and cash equivalents	7	0.45	0.41
(iii) Bank balances other than Cash and Cash Equivalent	8	166.20	427.64
(c) Other current assets	9	154.11	123.65
Total current assets		602.22	731.27
TOTAL ASSETS		2,833.56	2,654.32
II EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10	251.00	251.00
(b) Other Equity	11	1,399.36	1,346.88
Total Equity		1,650.36	1,597.88
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	538.90	550.83
(ii) Other financial liabilities	13	57.21	73.64
(b) Provisions	14	38.42	38.32
Total non current liabilities		634.53	662.79
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	217.04	163.00
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	15	0.08	0.09
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	15	192.96	132.61
(iii) Other financial liabilities	16	72.53	42.15
(b) Deferred Revenue	17	9.57	8.39
(c) Provisions	18	32.94	20.16
(d) Other current liabilities	19	23.55	27.25
Total current liabilities		548.67	393.65
Total liabilities		1,183.20	1,056.44
TOTAL EQUITY AND LIABILITIES		2,833.56	2,654.32
Significant Accounting Policy	I		
The accompanying notes I to 4I are an integral part of the Financial Statements			

As per our report of even date attached.

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W / W100355

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

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 & CFO
N.B. Gohil	- Executive Director
D.K. Kambale	- Independent Director
Sadashiv Sawrikar	- Independent Director
D.B.N. Rao	- Independent Director
R.K. Pandey	- Independent Director
M.K. Doogar	- Independent Director
S. Balasubramanian	- Independent Director
Anil Agrawal	- Company Secretary

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Ahmedabad

S. K. Mehta
Partner
M. No. 010870
Place : Ahmedabad

Place : Ahmedabad
Date : May 17, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

₹ in crores

	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Revenue			
Sale of Products (Refer Note 38)		1,060.61	1,051.45
Other Operating Income		0.37	0.56
I. Revenue from Operations		1,060.97	1,052.02
II. Other income	20	27.26	22.01
III. Total Income (I+II)		1,088.23	1,074.03
IV. Expenses			
Cost of materials consumed	21	89.09	73.44
Excise duty paid		-	25.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	8.16	(7.09)
Power and fuel		298.63	242.84
Employee Benefits Expenses	23	41.68	53.93
Selling Expenses	24	366.78	333.03
Finance costs	25	57.33	72.12
Depreciation and Amortization Expenses	26	71.34	72.38
Other Expenses	27	102.63	114.43
Total Expenses (IV)		1,035.63	980.71
V. Profit/(loss) before Exceptional Items and Tax (III – IV)		52.60	93.31
VI. Exceptional Items		-	-
VII. Profit/(loss) before Tax (V – VI)		52.60	93.31
VIII. Tax expense:			
1. Current Tax		-	-
2. Deferred tax		-	-
IX. Profit/(Loss) for the year (VII – VIII)		52.60	93.31
X. Other comprehensive income	28		
A I) Items that will not be reclassified to profit or loss		(0.12)	0.05
II) Income tax related to items that will not be reclassified to profit or loss		-	-
B I) Items that will be reclassified to profit or loss		-	-
ii) Income tax related to items that will be reclassified to profit or loss		-	-
		(0.12)	0.05
XI. Total comprehensive income for the year		52.48	93.36
XII. Earnings per equity share	29		
1. Basic		2.10	4.14
2. Diluted		2.10	4.14
Significant Accounting Policy	I		
The accompanying notes 1 to 41 are an integral part of the Financial Statements			

As per our report of even date attached.

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W / W100355

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Ahmedabad

S. K. Mehta
Partner
M. No. 010870
Place : Ahmedabad

Place : Ahmedabad
Date : May 17, 2019

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 & CFO
N.B. Gohil	- Executive Director
D.K. Kambale	- Independent Director
Sadashiv Sawrikar	- Independent Director
D.B.N. Rao	- Independent Director
R.K. Pandey	- Independent Director
M.K. Doogar	- Independent Director
S. Balasubramanian	- Independent Director
Anil Agrawal	- Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

₹ in crores

	31 March, 2019	31 March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	52.48	93.36
Adjustments for:		
Depreciation and amortisation	71.34	72.38
Loss on sale of Fixed Assets	0.09	(0.02)
Interest Income	(22.06)	(15.89)
Foreign Exchange (gain)/loss	1.71	0.39
Interest and other Financial Charges	57.33	72.12
Operating Profit before Working Capital Changes	160.89	222.34
Adjustments for:		
(Increase)/Decrease in Inventories	(89.79)	39.09
(Increase)/Decrease in Debtors	(12.10)	(8.14)
(Increase)/Decrease in Other Current Assets and Loans and Advances	(33.37)	(36.11)
Increase/(Decrease) in Trade Creditors	60.34	(9.43)
Increase/(Decrease) in Long Term Provisions	-	-
Increase/(Decrease) in Other Current Liabilities and Provisions	13.04	2.64
Cash from operating activities	99.01	210.39
Income Taxes paid	(1.06)	11.39
Net Cash from operating activities	97.95	221.78
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Additions of Fixed Assets (including Capital Work-In-Progress)	(399.88)	(289.12)
Sale of Fixed Assets	0.30	0.20
Investment in Fixed Deposit with Banks	261.44	(411.54)
Interest Received	26.26	16.05
Net Cash used in investing activities	(111.88)	(684.41)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Equity Capital (Qualified Institutional Placement) (net of issue expenses)	-	390.54
Movement in Working Capital Borrowing	54.04	35.19
Long term borrowings	116.85	378.16
Repayment of long term borrowings	(101.05)	(272.86)
Interest and other Financial Charges	(55.86)	(68.16)
Cash from Financing activities	13.98	462.87

Sanghi Industries Limited

₹ in crores

	31 March, 2019	31 March, 2018
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	0.05	0.24
Cash and Cash equivalents (Opening Balance)	0.41	0.17
Cash and Cash equivalents (Closing Balance)	0.46	0.41
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	0.18	0.21
Bank Balances	0.27	0.20
Cash and Cash Equivalents as above	0.45	0.41
Fixed Deposits with original maturity of more than 3 months	-	-
Cash and Cash Equivalents as per Note No.7	0.45	0.41

As per our report of even date attached.

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W / W100355

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Ahmedabad

S. K. Mehta
Partner
M. No. 010870
Place : Ahmedabad

Place : Ahmedabad
Date : May 17, 2019

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 & CFO
N.B. Gohil	- Executive Director
D.K. Kambale	- Independent Director
Sadashiv Sawrikar	- Independent Director
D.B.N. Rao	- Independent Director
R.K. Pandey	- Independent Director
M.K. Doogar	- Independent Director
S. Balasubramanian	- Independent Director
Anil Agrawal	- Company Secretary

STATEMENT OF CHANGES IN EQUITY (SOCIE) AS AT 31 MARCH 2019

Particulars	Reserves & Surplus				Total
	Security Premium	Capital redemption reserve	Debenture Redemption reserve	Retained earnings	
Balance at 31 March, 2017	49.82	84.84	13.21	746.13	894.00
Additions:					
Profit for the year				93.31	93.31
Other comprehensive income for the year (Remeasurement of defined benefit plan)				0.05	0.05
Transfer from debenture redemption reserve				13.21	13.21
Transfer from retained earnings			0.88		0.88
Issue of Share capital	369.15				369.15
Total	369.15	-	0.88	106.57	476.60
Less:					
Transfer to retained earnings			(13.21)		(13.21)
Transfer to Debenture redemption reserve				(0.88)	(0.88)
Share Issue Expenses *	-9.63	-		-	(9.63)
Balance at 31 March, 2018	409.34	84.84	0.88	851.82	1,346.88
Additions:					
Profit for the year				52.60	52.60
Other comprehensive income for the year (Remeasurement of defined benefit plan)				(0.12)	(0.12)
Transfer from debenture redemption reserve					-
Transfer from retained earnings			21.90		21.90
Issue of Share capital					-
Total	-	-	21.90	52.48	74.38
Less:					
Transfer to retained earnings					-
Transfer to Debenture redemption reserve				(21.90)	(21.90)
Share Issue Expenses *					-
Balance at 31 March, 2019	409.34	84.84	22.77	882.41	1,399.36

As per our report of even date attached.

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W / WI00355

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Ahmedabad

S. K. Mehta
Partner
M. No. 010870
Place : Ahmedabad

Place : Ahmedabad
Date : May 17, 2019

For and on behalf of the Board of Directors

Ravi Sanghi	- Chairman and Managing Director
Aditya Sanghi	- Executive Director
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Sadashiv Sawrikar	- Independent Director
D.B.N. Rao	- Independent Director
R.K. Pandey	- Independent Director
M.K. Doogar	- Independent Director
S. Balasubramanian	- Company Secretary
Anil Agrawal	- Company Secretary

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 and Registered Office at Sanghi Nagar, R.R. District, Telangana. Equity shares of the Company are listed on The National Stock Exchange and Bombay Stock Exchange. The Financial Statements were approved and adopted by Board of Directors of the Company in their meeting held on 17th May, 2019.

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) read with Companies (Indian Accounting Standards) Rules, and other relevant provisions of the Act, as amended from time to time.

b. Revenue from contract with customers

Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured based on the consideration specified in a contract with customer and excludes taxes collected.

c. Interest Income

Interest income is recognised in books of accounts on accrual basis.

d. 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. 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 and residual value as provided in Schedule II of the Companies Act, 2013, except in case of plant and machinery where useful life has been changed from 25 years to 30 years and residual value from 5% to 10% based on technical report received from Chartered Engineer w.e.f. January 01, 2019 and as approved by the management. 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.

Leasehold improvement is depreciated 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.

e. 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.

f. 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.

g. Financial instruments

1. Financial assets

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

Derecognition

A Financial Asset is primarily derecognized when:

The rights to receive cash flows from asset has expired, or

The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement ; and either

- a) The Company has transferred substantially all the risks and rewards of the asset, or
- b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. 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.

Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

Sanghi Industries Limited

h. Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to interest rate, foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes. The forward contracts are taken to hedge the LCs opened for project and accordingly the premium paid on forward contracts are transferred to capital work in progress.

i. 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 unrecognised 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 recognized only if there is virtual certainty supported by convincing evidence.

j. 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.

k. 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.

l. Cash and cash equivalents

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

m. 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.

n. 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.

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.

Sanghi Industries Limited

o. 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.

p. 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.

q. 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:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) 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 (₹), 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.

r. 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.

s. 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.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

Note – 2 Property, Plant and Equipment

Current Year

₹ in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2018	Additions	Disposals/ Adjustments	As on 31st March 2019	Upto 31.03.2018	Charge for the year	Disposals/ Adjustments	As on 31st March 2019	W.D.V as on 31st March 2019	W.D.V as on 31st March 2018
Owned Assets										
Freehold land	332.36	-	-	332.36	-	-	-	-	332.36	332.36
Building	170.42	-	-	170.42	66.38	5.21	-	71.59	98.83	104.04
Leasehold Improvements	-	4.87	-	4.87	-	0.11	-	0.11	4.77	-
Plant and Equipment	2,038.96	162.58	-	2,201.54	1,006.04	55.81	-	1,061.85	1,139.69	1,032.92
Furniture and Fixtures	21.78	0.01	-	21.79	7.96	1.02	-	8.97	12.82	13.83
Vehicles	18.31	-	1.08	17.23	10.25	1.77	0.69	11.33	5.91	8.07
Office Equipment	2.42	0.01	-	2.43	1.32	0.25	-	1.57	0.86	1.10
Electrical Installations	115.05	0.05	-	115.10	102.19	6.14	-	108.33	6.77	12.86
Laboratory Equipment	2.11	-	-	2.11	0.97	0.19	-	1.16	0.95	1.15
Computers	9.11	0.55	-	9.66	6.75	0.84	-	7.59	2.07	2.36
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	-	-
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub-total	2,710.67	168.07	1.08	2,877.66	1,201.95	71.34	0.69	1,272.60	1,605.06	1,508.72
Capital work-in-progress	293.58	297.57	154.32	436.82	-	-	-	-	436.82	293.58
TOTAL	3,004.25	465.64	155.41	3,314.48	1,201.95	71.34	0.69	1,272.60	2,041.88	1,802.30

1. It includes ₹ 31.73 Cr interest capitalised during FY 2018-19 (FY 2017-18 ₹ 29.21 Cr)
2. Refer Note 12 regarding information for Assets Hypothecation/ Pledged for Borrowings
3. Refer Note 32 regarding Capital Commitment for Property, Plant & Equipment
4. Based on technical report received from the Chartered Engineer and as approved by the management, Company has changed the useful life of Plant & Machinery and the residual value with effect from 01.01.2019. Due to such change, depreciation for the year ended March 31, 2019 is lower by ₹4.52 Cr and consequently profit for the year is higher by ₹ 4.52 Cr.

Note – 2 Property, Plant and Equipment

Previous Year

₹ in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2017	Additions	Disposals/ Adjustments	As on 31st March 2018	Upto 31.03.2017	Charge for the year	Disposals/ Adjustments	As on 31st March 2018	W.D.V as on 31st March 2018	W.D.V as on 31st March 2017
Owned Assets										
Freehold land	332.36	-	-	332.36	-	-	-	-	332.36	332.35
Building	168.16	2.26	-	170.42	61.22	5.16	-	66.38	104.04	106.94
Plant and Equipment	1,917.84	121.12	-	2,038.96	953.07	52.98	-	1,006.04	1,032.92	964.78
Furniture and Fixtures	19.03	2.76	-	21.78	7.07	0.88	-	7.96	13.83	11.95
Vehicles	17.13	1.90	0.71	18.31	9.04	1.73	0.52	10.25	8.07	8.09
Office Equipment	2.15	0.27	-	2.42	1.07	0.25	-	1.32	1.10	1.08
Electrical Installations	114.57	0.48	-	115.05	91.83	10.36	-	102.19	12.86	22.74
Laboratory Equipment	2.11	-	-	2.11	0.78	0.19	-	0.97	1.15	1.34
Computers	8.48	0.63	-	9.11	5.92	0.83	-	6.75	2.36	2.56
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	-	-
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
Sub-total	2,581.96	129.42	0.71	2,710.67	1,130.09	72.38	0.52	1,201.95	1,508.72	1,451.87
Capital work-in-progress	167.13	175.44	48.99	293.58	-	-	-	-	293.58	167.13
TOTAL	2,749.09	304.85	49.70	3,004.25	1,130.09	72.38	0.52	1,201.95	1,802.30	1,619.00

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Note - 3 Deferred tax Assets/(Liabilities)

Component of Deferred Tax Assets (Net) is provided as under

Particulars	31 March, 2019	31 March, 2018
Deferred tax Assets (DTA)		
Unabsorbed depreciation	87.58	87.58
Total DTA	87.58	87.58
Deferred tax Liabilities (DTL)		
Difference between Tax Depreciation & Book Depreciation	(29.06)	(29.06)
Total DTL	(29.06)	(29.06)
A. Net deferred tax Assets	58.52	58.52
B. Mat Credit Entitlement	27.53	28.57
Total Deferred tax Assets (A + B)	86.05	87.09

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 Ind AS 12. For the current year, the Company has not recognised such DTA in the accounts considering matter of prudence.

₹ in crores

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note 4		
Other Non Current assets		
Unsecured, considered good		
Capital Advances	96.18	28.53
Advance Income tax	7.23	5.13
Total	103.41	33.66
Note 5		
Inventories		
Raw Materials	5.10	6.09
Fuel Stock	70.84	17.71
Work-in-progress	0.19	0.42
Finished goods	21.74	29.68
Stores, spares and components (including packing material)	139.42	93.60
Total	237.28	147.49
Refer Note 12 regarding information for Hypothecation/Pledged of Inventory for Borrowings		
Refer Note 1 (j) for valuation of Inventory		
Note 6		
Trade Receivables		
Unsecured, Considered Good		
From related parties	-	-
From others	44.18	32.08
Total	44.18	32.08

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₹ in crores

Particulars	As at 31 March, 2019	As at 31 March, 2018
Note 7		
Cash and Cash Equivalent		
Balances with banks		
In current accounts	0.27	0.20
Cash in hand	0.18	0.21
Total	0.45	0.41
Note 8		
Bank balances other than Cash and Cash Equivalent		
Margin money *	31.90	72.85
Fixed deposits having original maturity over 3 months	134.30	354.79
Total	166.20	427.64
* Margin Money represents security deposited against borrowings/Non funded exposures from banks/financial institutions		
Note 9		
Other Current assets		
Unsecured, Considered Good		
Advances to employees	0.29	0.55
Advance to suppliers and contractors	49.25	33.11
Deposit with Government Department (Refer note – 32)	48.52	52.41
Others	56.04	37.59
Total	154.11	123.65

Note 10 Share Capital

₹ in crores

Particulars	As at			
	31 March, 2019		31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of ₹ 10/- each	350,000,000	350.00	350,000,000	350.00
Preference shares of ₹ 100/- each	20,000,000	200.00	20,000,000	200.00
		550.00		550.00
Issued share capital				
Equity shares of ₹ 10/- each Fully paid Up	251,000,000	251.00	251,000,000	251.00
		251.00		251.00
Subscribed and Fully paid up share capital				
Equity shares of ₹ 10/- each Fully paid Up	251,000,000	251.00	251,000,000	251.00
	251,000,000	251.00	251,000,000	251.00
Total share capital	251,000,000	251.00	251,000,000	251.00

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Note (a) : Equity share capital	31 March, 2019		31 March, 2018	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	251,000,000	251.00	219,979,000	219.98
Balance				
Changes in equity share capital during the year.	-	-	31,021,000	31.02
Balance at the end of the reporting period	251,000,000	251.00	251,000,000	251.00

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

₹ in crores

Particulars	31 March, 2019		31 March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity				
Opening Balance	251,000,000	251.00	219,979,000	219.98
Shares issued	-	-	31,021,000	31.02
Closing Balance	251,000,000	251.00	251,000,000	251.00

Notes :

A) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having par value of ₹ 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 details of Shareholders holding more than 5 % of Shares

₹ in crores

Particulars	31 March, 2019		31 March, 2018	
	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	54,076,975	21.54	54,067,975	21.54
Ravi Sanghi	49,869,750	19.87	49,878,750	19.87
	103,946,725	41.41	103,946,725	41.41

C) For the period of preceeding five years as on the Balance Sheet date:

a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
b) Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil
c) Aggregate number and class of shares bought back	Nil

D) During the previous year, the Company has issued and allotted 3,10,21,000 equity shares of ₹ 10 each to the Qualified Institutional Buyers (QIB) on 25/01/2018 at issue price of ₹ 129 per equity share (including premium of ₹ 119 per equity share) aggregating to ₹400.17 Cr. Pursuant to the allotment of equity shares in Qualified Institutional Placement, the paid up equity share capital of the Company stands increased at ₹251 Cr. Issue Expenses amounting to ₹ 9.63 Cr incurred in relation to issue to QIB have been charged off against the Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013. Proceeds of QIB issue has been utilised as under as per the object of the issue and the unutilised proceeds of the issue have been invested in short term fixed deposit and remaining balances with Bank under Cash and Cash Equivalent.

End Use	₹ in crores
QIP Issue fees and funds raising fees	32.17
Capex	246.08
Unutilised Proceeds in Short Term Deposits and Balances with Bank	121.92
Total	400.17

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Note 11 Other Equity

₹ in crores

Particulars	As at	
	31 March, 2019	31 March, 2018
Security Premium		
Opening Balance as per last accounts	409.34	49.82
Addition during the year	-	369.15
Utilised during the year	-	(9.63)
Closing Balance	409.34	409.34
Capital Redemption Reserve		
Opening Balance as per last accounts	84.84	84.84
Addition during the year	-	-
Closing Balance	84.84	84.84
Debenture Redemption Reserve		
Opening Balance as per last accounts	0.88	13.21
Addition during the year	21.90	0.88
Transferred to retained earnings	-	(13.21)
Closing Balance	22.77	0.88
Retained Earnings		
Opening Balance as per last accounts	851.82	746.13
Total Comprehensive Income for the year	52.48	93.36
Transferred from Debenture Redemption Reserve	-	13.21
Transferred to Debenture Redemption Reserve	(21.90)	(0.88)
Closing Balance	882.41	851.82
Total Other Equity	1,399.36	1,346.88

Description of Reserve

Security Premium

Security Premium is used to record the premium on the issue of shares/securities. This amount is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve

In accordance with applicable provisions of the Companies Act, 2013 read with the Rules, Company has created Capital Redemption Reserve for capital redeemed by the Company and the same will be utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve

In accordance with applicable provisions of the Companies Act, 2013 read with the Rules, Company has created Debenture Redemption Reserve out of the profits for the year.

Note - 12 Financial Liabilities : Borrowings

₹ in crores

Particulars	As at 31st March, 19		As at 31st March, 18	
	Non-Current	Current	Non-Current	Current
a) Working Capital Loans				
Secured – From Banks ¹	-	192.70	-	163.00
Unsecured – From Banks ¹	-	24.34	-	-
b) Term Loans				
Secured – From Banks ¹	169.07	-	194.35	-
Secured – From Others ²	117.21	-	104.72	-
c) Debentures				
10.50% Redeemable and Non-convertible Debenture of ₹ 10,00,000/- each ³	252.62	-	251.76	-
TOTAL	538.90	217.04	550.83	163.00

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Footnote to Note - 12

Disclosures on borrowings for March 2019

Loan	Security	Repayment terms	As at 31st March, 19		
			Non-Current	Current	Current Maturities on Long Term Borrowings
I. Loan from Banks					
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 10.50 % to 10.90% p.a.	Repayable on demand.	-	192.70	-
Other working capital	Unsecured	Repayable on demand.	-	24.34	-
Term Loans	Tranche 1 - First Pari-passu charge on fixed assets Tranche 2 - First exclusive charge on certain assets	Tranche 1- Repayable in 60 equal monthly installments from the end of the month starting after the moratorium i.e April 2019. Tranche 2- Repayable in monthly installments starting from April 2017 to July 2020	128.00	-	44.93
	First exclusive charge on ships	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till June 2023.	18.08	-	5.16
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from June '2021 Qtr	23.00	-	-
2. Loan from Others					
	Hypothecation of specific equipments.	Equated Monthly installments starting from April 2015 to August 2019	-	-	0.22
	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.60	-	0.07
	First pari-passu charge on fixed Assets	Payable at the end of 5th Year with a call option of ₹ 5.75 Crore per quarter	62.77	-	-
	First pari-passu charge on fixed Assets	Equated Monthly installments starting from November 2017 to October 2023.	27.37	-	5.80
	Hypothecation of specific equipments.	Equated Monthly installments starting from December 2017 to November 2021	0.37	-	0.19
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from June '2021 Qtr	23.19	-	-
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from June '2021 Qtr	1.38	-	-
	Hypothecation of cars	Equated Monthly installments.	1.53	-	0.80
3. 10.50% Redeemable and Non-convertible Debenture of ₹ 10,00,000/- each	First pari-passu charge on fixed Assets	Yearly Installment from March 2021 to March 2023	252.62	-	-
Total			538.90	217.04	57.19

Sanghi Industries Limited

Disclosures on borrowings for March 2018

Loan	Security	Repayment terms	As at 31st March, 18		
			Non-Current	Current	Current Maturities on Long Term Borrowings
I. Loan from Banks					
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 10.50 % to 10.90% p.a.	Repayable on demand.	-	163.00	-
Term Loans	Tranche 1 - First Pari-passu charge on fixed assets Tranche 2 - First exclusive charge on certain assets	Tranche 1- Repayable in 60 equal monthly installments from the end of the month starting after the moratorium i.e April 2019. Tranche 2- Repayable in monthly installments starting from April 2017 to July 2020	172.50	-	14.55
	First exclusive charge on ships	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till June 2023.	21.85	-	4.86
2. Loan from Others					
	Hypothecation of specific equipments.	Equated Monthly installments starting from April 2015 to August 2019	0.22	-	0.49
	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.67	-	0.07
	First pari-passu charge on fixed Assets	Payable at the end of 5th Year.	68.52	-	-
	First pari-passu charge on fixed Assets	Equated Monthly installments starting from November 2017 to October 2023.	33.15	-	5.27
	Hypothecation of specific equipments.	Equated Monthly installments starting from December 2017 to November 2021	0.56	-	0.17
	Hypothecation of cars	Equated Monthly installments.	1.60	-	1.05
3. 10.50% Redeemable and Non-convertible Debenture of ₹ 10,00,000/- each	First pari-passu charge on fixed Assets	Yearly Installment from March 2021 to March 2023	251.76	-	-
Total			550.83	163.00	26.46

Sanghi Industries Limited

₹ in crores

Particulars	As at	
	31 March, 2019	31 March, 2018
Note 13		
Other financial liabilities		
Payable for capital goods	25.79	46.72
Security Deposits from Customers and Transporters	31.42	26.92
Total	57.21	73.64
Note 14		
Long term provisions		
Employee benefits		
Gratuity	5.04	4.71
Leave encashment	1.64	1.58
Other provisions		
Asset retirement obligation	0.08	0.07
Mines restoration	0.18	0.17
District Mineral Fund	0.11	0.11
National Mineral Exploration Trust	0.42	0.52
Electricity Duty	30.95	31.15
Total	38.42	38.32
Movement of provisions during the year as required by Indian Accounting Standard (Ind AS) 37 “ Provisions, Contingent Liabilities and Contingent Assets		
Provision for asset retirement obligation		
Opening Balance	0.07	0.07
Add: Provision during the year	0.01	-
Less: Utilisation during the year	-	-
Closing Balance	0.08	0.07
Provision for Mines Restoration Expenses		
Opening Balance	0.17	0.16
Add: Provision during the year	0.01	0.01
Less: Utilisation during the year	-	-
Closing Balance	0.18	0.17
Provision for District Mineral Fund		
Opening Balance	0.11	6.46
Add: Provision during the year	-	-
Less: Utilisation during the year	-	6.35
Closing Balance	0.11	0.11
Provision for National Mineral Exploration Trust		
Opening Balance	0.52	0.87
Add: Provision during the year	0.48	-
Less: Utilisation during the year	0.58	0.35
Closing Balance	0.42	0.52
Provision for Electricity Duty		
Opening Balance	31.15	34.85
Add: Provision during the year	-	-
Less: paid during the year	0.20	3.70
Closing Balance	30.95	31.15

Sanghi Industries Limited

₹ in crores

Particulars	As at	
	31 March, 2019	31 March, 2018
Note 15		
Current financial liabilities : Trade payables		
(a) Dues of creditors other than Micro and Small Enterprises	192.96	132.61
(b) Dues of Micro and Small Enterprises	0.08	0.09
Total	193.04	132.70
* No interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The said information is based on the records maintained by the Company of its suppliers.		
Note 16		
Current financial liabilities : Others		
Current maturities of Long Term borrowings	57.19	26.46
Interest accrued but not due on borrowings	5.66	4.19
Other payables:		
Salary payable	4.33	7.21
Other Employee Related liabilities	5.36	4.29
Total	72.53	42.15
Note 17		
Deferred Revenue		
Deferred Revenue	9.57	8.39
Total	9.57	8.39
Note 18		
Current provisions		
Employee benefits		
Gratuity	0.95	0.75
Leave Encashment	0.30	0.28
Other provisions		
Provision for Expenses	31.70	19.14
Total	32.94	20.16
Note 19		
Current liabilities : Others		
Advance received from Customers	11.37	9.81
Statutory dues	9.61	16.51
Other Payables	2.57	0.93
Total	23.55	27.25

Sanghi Industries Limited

₹ in crores

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
Note 20		
Other Income		
Interest income	22.06	15.89
Foreign Exchange Gain	-	2.76
Other non-operating income	5.20	3.36
Total Other income	27.26	22.01
Note 21		
Cost of Materials consumed		
Opening stock	6.09	5.12
Add: Purchases	88.10	74.41
Less: Closing stock	(5.10)	(6.09)
Total of cost of material consumed	89.09	73.44
Details of Material consumed		
Lime Stone	28.01	25.80
Fly Ash	16.94	12.97
Gypsum	7.13	6.90
Clinker consumed	4.05	5.68
Raw Material for Ready Mix Concrete	8.14	6.43
Other Raw materials	24.82	15.66
Total	89.09	73.44
Note 22		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock:		
Finished goods	21.74	29.68
Work-in-progress	0.19	0.42
	21.93	30.09
Less:		
Opening Stock :		
Finished goods	29.68	22.74
Work-in-progress	0.42	0.26
	30.09	23.00
Total changes in inventories of finished goods and work in progress	8.16	(7.09)
Note 23		
Employee benefit expense		
Salaries & Wages and Bonus	40.18	51.03
Contribution to Provident Fund & Other Benefits	0.87	0.87
Staff Welfare Expenses	0.63	2.03
Total of employee benefit expense	41.68	53.93

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₹ in crores

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
Note 24		
Selling expenses		
Freight outward	332.48	301.81
Stevedoring expenses	14.36	15.95
Sales and promotion expenses	19.94	15.27
Total of selling expenses	366.78	333.03
Note 25		
Finance costs		
Interest on Borrowings	52.69	68.95
Other interest	4.64	3.18
Total of finance Costs	57.33	72.12
Note 26		
Depreciation & Amortisation Expenses		
Depreciation expenses	71.34	72.38
Total of Depreciation expenses	71.34	72.38
Note 27		
Other Expenses		
Manufacturing expenses		
Consumption of packing material	33.94	31.29
Consumption of stores and spares	10.68	15.45
Other manufacturing expenses	12.43	13.01
Other operating expenses		
Repairs to plant and machinery	12.00	16.81
Repairs to building	1.52	0.32
Advertisement	5.44	4.07
Audit fees ¹	0.23	0.23
Insurance	1.99	1.87
Foreign exchange loss	7.04	-
Corporate social Responsibility expenses ²	1.54	1.18
Other operating administrative expenses	15.81	30.19
Total of other expenses	102.63	114.43
I. Payment to Statutory Auditors as:		
Payment for Statutory Audit	0.20	0.20
Payment for Other Services	0.03	0.03
Payment for Other Services related to Capex	0.16	-
	0.39	0.23
2. Corporate Social Responsibilities Expenses		
a) Gross amount required to be spent by the Company during the year ₹ 1.46 Cr (31 March, 18 : 1.04 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 ₹ 1.54 Cr (31 March, 18 : 1.18 Cr) towards animal welfare, green belt development, village education and others.		

Sanghi Industries Limited

₹ in crores

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
Note 28		
Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	(0.12)	0.05
	(0.12)	0.05
Note 29		
Earnings per share		
Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. The following reflects the profit and number of shares used in the basic and diluted EPS computations:		
i. Profit attributable to Equity holders of parent		
Profit attributable to equity holders (₹ in crores)	52.60	93.31
Weighted average number of equity shares used for computing EPS (Basic)	251,000,000	225,588,277
Weighted average number of equity shares used for computing EPS (Diluted)	251,000,000	225,588,277
Earnings per share (Basic) - ₹	2.10	4.14
Earnings per share (Diluted) - ₹	2.10	4.14

Note - 30

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances, Short Term Borrowings, Trade Payables, Floating rate Borrowings and Fixed rate Borrowings approximate their carrying amounts.

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.

ii. Credit risk

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

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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.

₹ in crores

31 March, 2019	Contractual cash flows					
	Carrying amount	Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note – 12)	755.94	755.94	217.04	132.10	376.86	29.95
Trade payables (Refer note – 15)	193.04	193.04	193.04	-	-	-
Others (Refer note - 13 & 16)	129.75	129.75	98.33	-	31.42	-

₹ in crores

31 March, 2018	Contractual cash flows					
	Carrying amount	Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note – 12)	713.82	713.82	157.00	56.83	330.07	169.92
Trade payables (Refer note – 15)	132.70	132.70	132.70	-	-	-
Others (Refer note - 13 & 16)	115.78	115.78	88.86	-	26.92	-

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.

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 trade receivables, trade payables, 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 except for forward contracts executed for LC opened in foreign currency.

Forward Exchange Contracts

Outstanding Derivatives for hedging currency, are as under

Forward Contracts

₹ in crores

Purpose	Currency	Cross Currency	March 31, 2019	March 31, 2018
LC – Imports	USD	₹	48.69	-
LC – Imports	EURO	₹	67.48	-

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Exposure to currency risk

The currency profile in ₹ of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

	March 31, 2019 ₹	March 31, 2019 USD	March 31, 2019 EURO	March 31, 2019 GBP
Financial assets				
Trade receivables (Refer note - 6)	41.81	2.37	-	-
Cash and cash equivalents (Refer note – 7)	0.43	0.01	0.01	-
Bank balances other than Cash and Cash Equivalent (Refer note – 8)	166.20	-	-	-
	208.45	2.38	0.01	-
Financial liabilities				
Borrowings (Refer note – 12)	732.70	23.24	-	-
Trade payables (Refer note – 15)	183.31	9.73	-	-
Others (Refer note - 13 & 16)	129.75	-	-	-
	1,045.75	32.97	-	-

	March 31, 2018 ₹	March 31, 2018 USD	March 31, 2018 EURO	March 31, 2018 GBP
Financial assets				
Trade receivables (Refer note - 6)	30.72	1.36	-	-
Cash and cash equivalents (Refer note – 7)	0.38	0.02	0.01	-
Bank balances other than Cash and Cash Equivalent (Refer note – 8)	427.64	-	-	-
	458.74	1.38	0.01	-
Financial liabilities				
Borrowings (Refer note – 12)	687.11	26.71	-	-
Trade payables (Refer note – 15)	64.69	67.98	-	0.03
Others (Refer note - 13 & 16)	115.78	-	-	-
	867.59	94.69	-	0.03

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

₹	Year end spot rate	
	March 31, 2019	March 31, 2018
USD I	69.17	65.04
EUR I	77.70	80.62
CHF I	69.71	66.46

₹	Average rate	
	March 31, 2019	March 31, 2018
USD I	69.89	64.85
EUR I	80.93	69.06
CHF I	70.59	65.04

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.

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Effect in ₹ of 10% movement	USD
March 31, 2019	
Strengthening	(3.06)
Weakening	3.06

Effect in ₹ of 10% movement	USD
March 31, 2018	
Strengthening	(9.33)
Weakening	9.33

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.

	₹ in crores	
	31 March, 2019	31 March, 2018
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	343.33	345.79
	343.33	345.79

Note - 31 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.

The Company's adjusted net debt to equity ratio at March 31, 2019 was as follows.

	₹ in crores	
	31 March, 2019	31 March, 2018
Total Debt	596.09	577.29
Less : Cash and bank balances	166.65	428.05
Adjusted net debt	429.44	149.24
Total equity	1,650.36	1,597.88
Adjusted net debt to adjusted equity ratio	0.26	0.09

Note - 32 Contingent Liabilities

The claims against the Company not acknowledged as debt amount to ₹ 107.03 Cr. (31 March 2018 : ₹ 119.96 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 ₹ 44.93 Cr. (31 March 2018 : ₹ 51.54 Cr.) with respective authorities as deposit.

Particulars	₹ in crores	
	31 March, 2019	31 March, 2018
Excise & Service Tax	59.74	72.67
Customs	12.41	12.41
Sales Tax	1.76	1.76
Claims of Gujarat Water Supply and Sewerage Board	26.38	26.38
Land Revenue Tax	1.17	1.17
Electricity Duty	3.30	3.30
Other Claims against the Company	2.27	2.27
Total	107.03	119.96

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 561.24 Cr. (31 March 2018 is ₹ 73.99 Cr. Net of advances).

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Note - 33 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) Geographical Information

Particulars	Details	
	Revenue	Non Current Assets
Within India		
31 March, 2019	1,069.21	2,231.34
31 March, 2018	1,022.87	1,923.05
Outside India		
31 March, 2019	19.02	-
31 March, 2018	51.16	-
Total		
31 March, 2019	1,088.23	2,231.34
31 March, 2018	1,074.03	1,923.05

Domestic revenue includes ₹ 0.38 Cr. self consumption (31 March 2018 : ₹ 0.85 Cr.)

(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 - 34

Related party disclosures

a. Subsidiary Company :

As on 31st March 2019, the Company has no subsidiary company.

b. Key Management Personnel:

Mr. Ravi Sanghi	- Chairman and Managing Director
Mr. Aditya Sanghi	- Whole Time Director
Mr. Alok Sanghi	- Whole Time Director
Ms. Bina Engineer	- Whole Time Director and CFO
Mr. N. B. Gohil	- Whole Time Director
Mr. D. K. Kambale	- Non Executive Director
Mr. Sadashiv Sawrikar	- Non Executive Director
Mr. R. K. Pandey	- Non Executive Director
Mr. D. B. N. Rao	- Non Executive Director
Mr. M. K. Doogar	- Non Executive Director
Mr. S. Balasubramanian	- Non Executive Director
Mr. Anil Agrawal	- Company Secretary

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

₹ in crores

Particulars	For the year ended	For the period ended
	31 March, 2019	31 March, 2018
Remuneration	7.57	8.88
Sitting Fees	0.06	0.06
Total compensation	7.63	8.94

Remuneration includes commission to key managerial persons for ₹ 1.35 Cr (31 March 2018 : ₹ 2.41 Cr).

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Note - 35 Operating lease

The Company has taken certain assets on operating lease which are cancellable. During the year, Company has paid ₹ 3.01 Cr (FY 17-18 ₹ 2.73 Cr) towards cancellable operating lease. There are no operating leases which are non cancellable.

Note - 36 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

II. 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.

₹ in crores

Description	Gratuity		Leave encashment	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
I. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	5.46	4.62	1.86	1.78
b. Current Service Cost	0.57	0.53	0.33	0.30
c. Past Service cost	-	0.55	-	-
d. Interest Cost	0.43	0.34	0.14	0.13
e. Actuarial (Gain)/Loss	0.12	(0.05)	(0.03)	(0.02)
f. Benefits Paid	(0.60)	(0.53)	(0.36)	(0.33)
g. Obligation as at the end of the year	5.98	5.46	1.94	1.86
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	5.98	5.46	1.94	1.86
c. Amount recognised in the Balance Sheet	(5.98)	(5.46)	(1.94)	(1.86)
3. Expense recognised during the year in Statement of Profit & Loss				
a. Current Service Cost	0.57	0.53	0.33	0.30
b. Past Service cost	-	0.55	-	-
c. Interest Cost	0.43	0.34	0.14	0.13
d. Expense recognised during the year	1.00	1.42	0.44	0.41
4. Expense recognised during the year in OCI				
a. Actuarial (Gain)/Loss	0.12	(0.05)	-	-
6. Actuarial Assumptions				
a. Discount Rate (per annum)	0.07	0.07	0.07	0.07
b. Salary escalation	0.04	0.04	0.04	0.04
c. Mortality Rate Indian Assured Lives Mortality	Ultimate	Ultimate	Ultimate	Ultimate

III. Sensitivity analysis

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

₹ in crores

Particulars	31 March, 2019	
	Increase	Decrease
	Gratuity	Gratuity
Discount rate (1% movement)	(0.42)	0.48
Salary growth rate (1% movement)	0.44	(0.39)

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₹ in crores

Particulars	31 March, 2018	
	Increase	Decrease
	Gratuity	Gratuity
Discount rate (1% movement)	(0.41)	0.47
Salary growth rate (1% movement)	0.44	(0.39)

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 37

Balance of trade receivables, trade payables, advances and deposits are subject to confirmation and reconciliation, if any.

Note 38

Goods and Service Tax (GST) has been implemented w.e.f. 01.07.2017. Accordingly, GST is being levied as against Excise duty applicable hitherto. Since, excise duty is included in the revenue and GST is not included in revenue, revenue from operations for current year ended 31st March 2019 is not comparable with the previous year. Excise amounting to ₹ NIL (Previous Year ₹ 25.65 Cr) is included in Revenue from operations.

Note 39

Disclosures as required under Ind-As 115 – Revenue from Contracts with Customers

- Bifurcation of total revenue from contracts with customer as per Ind As 115 is given below:
Revenue from contracts with customers ₹ 1,060.61 Cr
 - Recognised from contract liability of the previous year ₹ 9.81 Cr
 - Recognised from the performance obligation satisfied in current year ₹ 8.39 Cr
 - Recognised from the contracts entered in current year ₹ 1,042.41 Cr
- Performance Obligation pending at year end for which revenue is to be recognised in next financial year is ₹ 9.57 Cr
- The Company classify the right to receive consideration as trade receivables.
- Sale of goods to customers are made at fixed rate.

Note 40

Research and Development Cost

During the year Company has incurred ₹ 1.16 Cr towards Research and Development.

Capital Expenditure – ₹ NIL (Previous Year ₹ 0.51 Cr)

Recurring Expenditure – ₹ 1.16 Cr (Previous Year ₹ 1.58 Cr)

Note 41

Corresponding figures of previous year have been regrouped/rearranged wherever necessary.

As per our report of even date attached.

For Chaturvedi & Shah LLP,
Chartered Accountants
FRN No. 101720W / W100355

Vitesh D. Gandhi
Partner
M. No. 110248
Place : Ahmedabad

Place : Ahmedabad
Date : May 17, 2019

For S. K. Mehta & Co.
Chartered Accountants
FRN No. 000478N

S. K. Mehta
Partner
M. No. 010870
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 & CFO
N.B. Gohil	- Executive Director
D.K. Kambale	- Independent Director
Sadashiv Sawrikar	- Independent Director
D.B.N. Rao	- Independent Director
R.K. Pandey	- Independent Director
M.K. Doogar	- Independent Director
S. Balasubramanian	- Independent Director
Anil Agrawal	- Company Secretary

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Turning Dreams into Concrete Reality

Sanghi Industries Limited

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