SANGHI CEMENT

Turning Dreams into Concrete Reality

29th July, 2020

To, **The Assistant Vice-President** **The National Stock Exchange of India Ltd** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	**To,** **The General Manager** **BSE Ltd** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Dear Sir,

Sub : Notice of the Thirty Third Annual General Meeting and Annual Report F Y 2019-20

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2019-20 along with Notice of the Thirty Third Annual General Meeting of the Company scheduled to be held on Friday, 21st August, 2020 at 10.00 a.m. through Video Conferencing / Other Audio Visual Means.

This is for your information and record.

Thanking you,
Yours faithfully,
For **Sanghi Industries Ltd**

SANGHI INDUSTRIES LIMITED

Anil Agrawal
Company Secretary

SANGHI INDUSTRIES LIMITED

CIN No. : L18209TG1985PLC005581
Regd. Office: Sanghinagar P. O. Hayatnagar Mandal, R. R. District, Telangana - 501511
Tel. 08415-242240, Email : companysecretary@sanghicement.com
Website: www.sanghicement.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty Third Annual General Meeting** of the Members of **M/s. Sanghi Industries Limited** will be held on Friday, the 21st day of August, 2020 at 10.00 a.m. through Video Conferencing or other audio visual means to transact the following business and the place of the meeting shall be deemed to be the registered office of the Company:

Ordinary Business:

1. To receive, consider and adopt financial statements of the Company including Audited Balance Sheet as at 31st March, 2020 and Statement of Profit and Loss and Cash Flow for the year ended on that date together with the Directors' Report and also the Auditors' Report thereon.

2. To appoint a Director in place of Shri Aditya Sanghi (holding DIN: 00033755), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

   "Resolved that pursuant to the provisions of Section 148 and all the applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) the consent of members be and is hereby accorded to ratify the remuneration decided by the Board of Directors of the Company based on the recommendation of the Audit Committee of Rs. 2,25,000/- (Rupees Two Lac Twenty Five Thousand Only) plus out of pocket expenses and GST, if any to M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad appointed by the Board of Directors to conduct the audit of the Cost records of the Company for the financial year 2020-21.

   Resolved further that Shri Ravi Sanghi, Chairman & Managing Director, Smt. Bina Engineer, Whole-time Director and Shri Anil Agrawal, Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

   "**Resolved that** in accordance with the provisions of sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Articles of Association of the Company and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and such other approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Ravi Sanghi (holding DIN: 00033594) as Chairman and Managing Director of the Company with effect from 1st September, 2020, for a period of five years on the terms and conditions including remuneration payable to him for the period of three years with effect from 1st September, 2020 as set out in the Explanatory Statement.

   Resolved further that in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Shri Ravi Sanghi, as minimum remuneration.

   Resolved further that Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Ravi Sanghi, the remuneration payable to him as prescribed in explanatory statement i.e. Annual Increment up to 25% of last salary drawn subject to overall limits laid down under the provisions of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

   Resolved further that any one Executive Director or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"Resolved that in accordance with the provisions of sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) read with Articles of Association of the Company and such other approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Nirubha Balubha Gohil (holding DIN: 05149953) as a Whole time Director of the Company with effect from 22nd December, 2020, for a period of three years on the remuneration and the terms and conditions as set out in the Explanatory Statement.

Resolved further that in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Shri Nirubha Balubha Gohil, as minimum remuneration..

Resolved further that Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Nirubha Balubha Gohil, the remuneration payable to him as prescribed in explanatory statement i.e. Annual Increment up to 25% of last salary drawn subject to overall limits laid down under the provisions of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

Resolved further that Shri Ravi Sanghi, Chairman & Managing Director and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"Resolved that in accordance with the provisions of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) read with Articles of Association of the Company and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and such other approvals as are necessary, consent of the Company be and is hereby accorded for affirming the existing remuneration payable to Shri Aditya Sanghi, Whole time Director of the Company with effect from 6th September, 2020, for his remaining tenure as set out in the Explanatory Statement.

Resolved further that in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Shri Aditya Sanghi, as minimum remuneration.

Resolved further that Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Aditya Sanghi, the remuneration payable to him as prescribed in explanatory statement i.e. Annual Increment up to 25% of last salary drawn subject to overall limits laid down under the provisions of Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

Resolved further that Shri Ravi Sanghi, Chairman & Managing Director and Shri Anil Agrawal, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"Resolved that in accordance with the provisions of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) read with Articles of Association of the Company and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and such other approvals as are necessary, consent of the Company be and is hereby accorded for affirming the existing remuneration payable to Shri Alok Sanghi, Whole time Director of the Company with effect from 6th September, 2020, for his remaining tenure as set out in the Explanatory Statement.

Resolved further that in the event of any loss, absence or inadequacy of the profits of the Company, the remuneration mentioned in the Explanatory Statement shall be paid to Shri Alok Sanghi, as minimum remuneration.

Resolved further that Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Alok Sanghi, the remuneration payable to him as prescribed in explanatory statement i.e. Annual Increment up to 25% of last salary drawn subject to overall limits laid down under the provisions of Companies Act, 2013

(including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 without further approval of the Board and members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

Resolved further that Shri Ravi Sanghi, Chairman & Managing Director and Shri Anil Agrawal, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**.

"Resolved that pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Ms. Raina Desai (holding DIN: 05113035), aged 29 years, who was appointed as an Additional Director of the Company by the Board of Directors (and categorized as 'Independent Director') with effect from 5th February, 2020, and who holds office as an Additional Director upto the date of ensuing Annual General Meeting of the Company and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of the Director of the Company and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, be and is hereby appointed as an Independent Woman Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from 5th February, 2020.

Resolved further that Shri Ravi Sanghi, Chairman & Managing Director and Shri Anil Agrawal, Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:
Sanghinagar P.O.,
Hayatnagar Mandal, R. R. District,
Telangana – 501 511

By Order of the Board
for **Sanghi Industries Limited**

Place: Ahmedabad
Date: 24th June, 2020

Anil Agrawal
Company Secretary

Notes:

(1) In view of the massive outbreak of the COVID-19 global pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs ('MCA') allowed conducting of Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') and dispensed the personal presence of the members at the meeting. Accordingly, the MCA issued Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the AGM through VC/OAVM. Hence, members can attend and participate in the ensuing AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no.14.

(2) Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto. The Board of Directors have considered and decided to include Item 3 to 8 given above as Special Business as they are unavoidable in nature.

(3) Since this AGM is being held pursuant to the MCA Circular No. 14/2020 dated April 8, 2020 through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

(4) Members attending the meeting through VC / OAVM shall be counted for the purpose of quorum under Section 103 of the Companies Act, 2013.

(5) The notice and the Annual Report of the Company is being sent to the members through electronic mode whose e-mail ID is registered with the Company. Members whose e-mail ID is not registered are requested to get the same registered with the Company by sending an E mail to: companysecretary@sanghicement.com

(6) Members desiring any information as regards the Accounts are requested to write to the Company at least 10 working days before the meeting so as to enable the Management to keep the information ready at the time of meeting and the same shall be provided suitably at the time of meeting.

(7) Members holding shares in electronic form shall address all communications to their respective Depository Participants only.

(8) Necessary registers and documents will be available for inspection to the members in electronic mode. The members are required to send an e-mail of their intention of inspection to companysecretary@sanghicement.com

(9) The members are requested to participate on first come first serve basis as participation through VC / OAVM is limited upto 1000 members and will be closed on expiry of 15 minutes from the schedule time of the meeting. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee , Nomination & Remuneration Committee and Stakeholder Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first cum first served basis.

(10) Process and manner for members opting for voting through Electronic means:

(i) In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued by MCA dated April 8, 2020, April 13, 2020 and May 5, 2020, the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 33rd Annual General Meeting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited [CDSL] to facilitate remote e-voting as well as e-voting system on the date of the AGM.

(ii) Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on cut-off date i.e. 14th August, 2020 only shall be entitled to avail facility of remote e-voting as well as e-voting system on the date of AGM.

(iii) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for remote e-voting or e-voting system on the date of the AGM. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.

(iv) Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

(v) The Company has appointed Shri Srikant Sangai, Practising Company Secretary, (COP No. 11113) to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

(11) The instructions for shareholders for remote e-voting are as under:

1. The remote E- voting period commences at 10.00 a.m. on 18th August, 2020 and ends at 5.00 p.m. on 20th August, 2020 (both days inclusive). During this period the shareholders of the Company holds shares as on the cut-off date (record date) of 14th August, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
3. The shareholders should log on to the e-voting website www.evotingindia.com
4. Click on Shareholders.
5. Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
8. If you are a first time user, please enter your PAN Number and Dividend Bank Details or Date of Birth.
9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

11. Click on the EVSN of Sanghi Industries Limited for which you choose to vote.
12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
18. Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.
19. Note for Non-Individual Shareholders and Custodians:
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
    - Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer / Company by email through its registered email address to sangaisri@yahoo.com with a copy marked to companysecretary@sanghicement.com

      In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(12) The instructions for shareholders voting on the day of the AGM on e-voting system are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions thorough remote e-voting and otherwise not barred from doing so shall be eligible to vote through e- voting system available in the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
4. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(13) The result will be declared on receipt of Scrutinizers Report. The results declared along with the scrutinizer's report will be available on the website of the Company (www.sanghicement.com) and on the website of agency (www.evotingindia.com). The Company shall simultaneously forward the results to NSE and BSE where the equity shares of the Company are listed.

(14) Instruction for members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to ask questions may send their questions in advance atleast (10) working days before AGM mentioning their name, demat account number / folio number, email id, mobile number at companysecretary@sanghicement.com and register themselves as a speaker. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM.
6. As the meeting is to be convened through VC / OAVM, the route map is not annexed in this Notice.

(15) Shri Anil Agrawal, Company Secretary of the Company, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details are - Email: companysecretary@sanghicement.com; Phone / Mobile No.: 08415-242240.

(16) The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliance by the Companies and issued a circular clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately.

Members holding shares in electronic form are requested to register their e-mail id for which they are advised to approach their Depository Participants in this regard.

(17) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts.

(18) SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018-49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission, transposition and relodgement of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories.

(19) Information required to be furnished as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and secretarial standards on the General Meeting issued by the Institute of Company Secretaries of India, the particulars of Directors who are proposed to be re-appointed, are given below:

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Shareholding in the Company	Details of Directorship held in other Listed companies	Details of membership / chairmanship of other Board committees
Shri Aditya Sanghi DIN: 00033755	18th September, 1982	27th January, 2007	An alumnus of the reputed Rochester Institute of USA, Aditya Sanghi brings with him rich oeuvre of global perspectives. He provides valuable expertise in management of the clinker and cement operations, and the establishment and operation of thermal power plant. He has implemented numerous best manufacturing practices and has successfully executed diverse projects for the company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.	49,59,500 Equity Shares (1.98% of Equity Share Capital)	----	----
Shri Ravi Sanghi DIN: 00033594	1st July, 1952	14th 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.	4,98,69,750 Equity Shares (19.87% of Equity Share Capital)	----	----
Nirubha Balubha Gohil DIN: 05149953	16th June, 1950	22nd December, 2011	Diploma in Mechanical Engineering. He is aged about 69 years and is having rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants.	Nil	----	----

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Shareholding in the Company	Details of Directorship held in other Listed companies	Details of membership / chairmanship of other Board committees
Shri Alok Sanghi DIN: 00033506	13th January, 1984	27th 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.	49,59,500 Equity Shares (1.98% of Equity Share Capital)	----	----
Ms. Raina Desai DIN: 05113035	8th January 1991	5th February, 2020	She is a lawyer from Jindal Global Law School & a Commerce Graduate from University of Calcutta, is a young & dynamic entrepreneurial professional having core focus in Corporate Law, Corporate Governance and Strategy & Business Management.. Currently, Ms. Raina D. Desai, Director — Corporate Advisory Services and M&A in Baker Tilly DHC & Baker Tilly Global Centre of Excellence, a leading consultancy firm providing services in the field of business and tax advisory & solutions, corporate finance advisory, assurance, risk advisory to a number of reputed corporates worldwide. Ms. Desai is affiliated to the Bar Council of Maharashtra & Goa.	Nil	----	----

Shri Ravi Sanghi is father of Shri Aditya Sanghi and Shri Alok Sanghi, Whole time Directors of the Company. Except them no other directors are in any way inter-se related, related with the Managerial Personnel and other KMPs.

CONTACT DETAILS:

Company	Sanghi Industries Ltd. E-mail ID: companysecretary@sanghicement.com
E-voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com
Scrutinizer	Shri Srikanth Sangai, Practising Company Secretary. Email id: sangaisri@yahoo.com

ANNEXURE TO THE NOTICE

Explanatory Statement

(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

In conformity with the provisions Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to special businesses contained in the accompanying Notice.

Item No. 3

The Board on recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year 2020-21.

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

Accordingly, consent of the shareholders is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2020-21.

Your Directors recommend the passing of the proposed Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution.

Item No. 4

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.

During the tenure of Shri Ravi Sanghi as Chairman and Managing Director, he has continuously contributed to a great extent in the growth of the Company. Considering several aspects, the Board of Directors has considered it appropriate and advisable to re-appoint him for a period of 5 years with effect from 1st September, 2020 as the Chairman and Managing Director and accordingly he has been re-appointed as the Chairman and Managing Director.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Ravi Sanghi as mentioned hereunder as minimum remuneration if the conditions mentioned in Schedule V are fulfilled. One of the conditions being that "a special resolution is required to be passed at the general meeting of the company for payment of remuneration for a period not exceeding three years". In view of the above the remuneration has been fixed on the basis of recommendation of the Nomination and Remuneration Committee for a period of 3 years with effect from 1st September, 2020. The terms and conditions of re-appointment are as under:

(A) Salary: Rs. 1.875 Crore (Rupees One Crore Eighty Seven Lacs Fifty Thousand Only) per annum with suitable break up as per the rules of the Company.

He will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) In addition to above (A), commission @ 1% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

(C) Perquisites:

Gratuity: The Company shall pay gratuity as per the Company's rules.

Leave: He shall be entitled to leave benefits as per the Company's rules.

(D) He shall not be liable to Retire by Rotation.

He shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the re-appointment of and payment of remuneration to Managing Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Shri Ravi Sanghi will be of immense value to the Company. Your Directors, therefore, recommend his re-appointment as Chairman and Managing Director of the Company and passing of the proposed Special Resolution.

Except Shri Ravi Sanghi being an appointee, Shri Aditya Sanghi, Shri Alok Sanghi being relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

(1) Nature of Industry : Cement Industry

(2) The commercial operations have already begun.

(3) The Company is not a new Company

(4) Financial performance:

(Rs. In Crores)

Particulars	Year ended (Audited) (31-03-2020)	Year ended (Audited) (31-03-2019)
Total Income	900.01	1088.23
Operating Profit	127.44	123.94
Profit Before Tax	65.36	52.60
Profit After Tax	65.36	52.60
Total Comprehensive Income	65.01	52.48

(5) There was export earnings amounting to Rs. 14.15 Crores and outgo was Rs. 157.22 Crores including Rs 122.85 Crores towards Capital Expenditure during the financial year 2019-20.

(6) There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

(1) Background details: Shri Ravi Sanghi is a Graduate in Commerce and has conceptualized the project. Under his dynamic leadership, the Company has successfully implemented the project against many odds and presently is running it successfully. Under his leadership, the Company has been able to enhance its book value of shares substantially.

(2) Past Remuneration: Shri Ravi Sanghi was paid remuneration of Rs.15.625 Lakh per month plus perquisites and benefits during the financial year 2019-20.

Due to Covid-19 pandemic and consequent Lockdown, Shri Ravi Sanghi has foregone his salary from the month of March, 2020 to June, 2020. Further, he has also foregone his Commission for the financial year ended 31st March, 2020.

(3) Recognition and awards: The Company has received several recognition and awards under his leadership.

(4) Job profile and his suitability: The Chairman and Managing Director has conceptualized the project and under his dynamic leadership the Company is running the cement plant successfully and reaching new heights every day. His experience and knowledge has helped the Company to a great extent.

(5) Remuneration proposed: As per details given below.

(6) There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.

(7) Besides the proposed remuneration, the Chairman and Managing Director has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.

III. Other information:

During the year ended 31st March 2020, the total revenue was Rs. 900.01 Crores against Rs. 1088.23 Crores in the previous year. Company reported a net profit before and after tax of Rs. 65.36 crores for the year ended 31st March, 2020 as against a profit of Rs. 52.60 crores in the previous fiscal. The Total Comprehensive Income for the year is Rs. 65.01 Crores against Rs. 52.48 Crores in previous year. The earnings per share (EPS) for 2019-20 stood at Rs. 2.60 as against EPS of Rs. 2.10 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Now, Company is focusing on expansion of capacity to tap the future potential in the industry. Completion of the project will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Shri Ravi Sanghi for improvement and development of the Company.

IV. Disclosures:

(A) Salary:

Rs.1.875 crore (Rupees One Crore Eighty Seven Lac Fifty Thousand Only) per annum. The Board may give one or more increment depending upon work performance, working of the Company etc. as per the rules of the Company. He will be entitled for Annual Increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) Commission:

Commission @ 1% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

(C) Perquisites:

1. **Gratuity:** The Company shall pay gratuity as per the Company's rules.
2. **Leave:** He shall be entitled to leave benefits as per the Company's rules.
3. He will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. **Notice period:** The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. **Stock option:** The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 5

Shri Nirubha B. Gohil is a Diploma in Mechanical Engineering and has more than 40 years rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants. He has expertise in Pollution Control Norms, Factory Regulations and other administrative matters also. He was earlier associated with the Company in Senior Management Position and was looking after the various activities pertaining to operations.

During the tenure of Shri Nirubha B. Gohil as Whole Time Director, he has continuously contributed to a great extent in the growth of the Company. Considering several aspects, the Board of Directors has considered it appropriate and advisable to re-appoint him for a period of 3 years with effect from 22nd December, 2020 as a Whole-time Director and accordingly he has been re-appointed as the Whole-time Director.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Nirubha B. Gohil as mentioned hereunder as minimum remuneration.

The remuneration has been fixed on the basis of recommendation of the Nomination and Remuneration Committee. The terms and conditions of re-appointment are as under :

(A) Salary: Rs. 60 lacs (Rupees Sixty Lacs Only) per annum with suitable break up as per the rules of the Company.

He will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) Perquisites:

Gratuity: The Company shall pay gratuity as per the Company's rules.

Leave: He shall be entitled to leave benefits as per the Company's rules.

(C) He shall be liable to Retire by Rotation.

He shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), the re-appointment of and payment of remuneration to Whole time Director requires the approval of the Shareholders in General Meeting by way of special resolution and hence necessary resolution has been proposed for your approval.

The Board of Directors is of the view that the services of Shri Nirubha B. Gohil will be of immense value to the Company. Your Directors, therefore, recommend his re-appointment as Whole time Director of the Company. Your Directors recommend the passing of the proposed Special Resolution.

Except Shri Nirubha B. Gohil being an appointee, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

(1) Nature of Industry : Cement Industry

(2) The commercial operations have already begun.

(3) The Company is not a new Company

(4) Financial performance:

(Rs. In Crores)

Particulars	Year ended (Audited) (31-03-2020)	Year ended (Audited) (31-03-2019)
Total Income	900.01	1088.23
Operating Profit	127.44	123.94
Profit Before Tax	65.36	52.60
Profit After Tax	65.36	52.60
Total Comprehensive Income	65.01	52.48

(5) There was export earnings amounting to Rs. 14.15 Crores and outgo was Rs. 157.22 Crores including Rs 122.85 Crores towards Capital Expenditure during the financial year 2019-20.

(6) There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

(1) Background details: Shri Nirubha B. Gohil holds a Diploma in Mechanical Engineering and has more than 40 years rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants. He has expertise in Pollution Control Norms, Factory Regulations and other administrative matters also. He was earlier associated with the Company in Senior Management Position and was looking after the various activities pertaining to operations.

(2) Past Remuneration: Shri Nirubha B. Gohil was paid remuneration of Rs.5 Lakh per month plus perquisites and benefits during the financial year 2019-20.

Due to Covid-19 pandemic and consequent Lockdown, Shri Nirubha B. Gohil has foregone his 30% salary from the month of April, 2020 to June, 2020.

(3) Recognition and awards: Nil

(4) Job profile and his suitability: Shri Nirubha B. Gohil is responsible for managing the company subject to the superintendence, control and direction of the Board of Directors. He has wide experience and expertise in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants. He has expertise in Pollution Control Norms, Factory Regulations and other administrative matters also. His experience and knowledge has helped the Company to a great extent.

(5) Remuneration proposed: As per details given below.

(6) There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.

(7) Besides the proposed remuneration, Shri Nirubha B. Gohil has no pecuniary relationship directly or indirectly with the Company.

III. Other information:

During the year ended 31st March 2020, the total revenue was Rs. 900.01 Crores against Rs. 1088.23 Crores in the previous year. Company reported a net profit before and after tax of Rs. 65.36 crores for the year ended 31st March, 2020 as against a profit of Rs. 52.60 crores in the previous fiscal. The Total Comprehensive Income for the year is Rs. 65.01 Crores against Rs. 52.48 Crores in previous year. The earnings per share (EPS) for 2019-20 stood at Rs. 2.60 as against EPS of Rs. 2.10 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Now, Company is focusing on expansion of capacity to tap the future potential in the industry. Completion of the project will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Shri Nirubha B. Gohil for improvement and development of the Company.

IV. Disclosures:

(A) Salary:

Rs.60 Lacs (Rupees Sixty Lac Only) per annum. The Board may give one or more increment depending upon work performance, working of the Company etc. as per the rules of the Company. He will be entitled for Annual Increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) Perquisites:

1. **Gratuity:** The Company shall pay gratuity as per the Company's rules.
2. **Leave:** He shall be entitled to leave benefits as per the Company's rules.
3. He will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. **Notice period:** The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. **Stock option:** The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 6

Shri Aditya Sanghi is an alumnus of the reputed Rochester Institute of USA. He brings with him rich oeuvre of global perspectives. He provides valuable expertise in management of the clinker and cement operations, and the establishment and operation of thermal power plant. He has implemented numerous best manufacturing practices and has successfully executed diverse projects for the company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.

Shri Aditya Sanghi was re-appointed for a period of five years w.e.f. 6th September, 2017. In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Aditya Sanghi as mentioned hereunder as minimum remuneration if the conditions mentioned in Schedule V are fulfilled.

One of the conditions being that "a special resolution is required to be passed at the general meeting of the company for payment of remuneration for a period not exceeding three years."

Looking to the above requirement of payment of remuneration for a period not exceeding three years, which was approved by members and now it would be necessary to get the approval of members for payment of remuneration to him for his remaining tenure. The Board of Directors has considered it appropriate and advisable to affirm payment of his existing remuneration with effect from 6th September, 2020 till for his remaining tenure. The Nomination and Remuneration Committee has also recommended to continue to pay the existing remuneration to him for his remaining tenure. The terms and conditions of his remuneration are as under:

(A) Salary: Rs. 1.25 Crore (Rupees One Crore Twenty Five Lac Only) per annum with suitable break up as per the rules of the Company.

He will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) In addition to above (A), commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

(C) Perquisites:

Gratuity: The Company shall pay gratuity as per the Company's rules.

Leave: He shall be entitled to leave benefits as per the Company's rules.

(D) He shall be liable to Retire by Rotation.

He shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the payment of remuneration to Whole time Director requires the approval of the Shareholders in General Meeting by way of Special Resolution and hence necessary resolution has been proposed for your approval. Your Directors recommend to pass the said resolution as Special Resolution.

Except Shri Aditya Sanghi, Shri Ravi Sanghi and Shri Alok Sanghi being relatives , none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

(1) Nature of Industry : Cement Industry

(2) The commercial operations have already begun.

(3) The Company is not a new Company

(4) Financial performance:

(Rs. In Crores)

Particulars	Year ended (Audited) (31-03-2020)	Year ended (Audited) (31-03-2019)
Total Income	900.01	1088.23
Operating Profit	127.44	123.94
Profit Before Tax	65.36	52.60
Profit After Tax	65.36	52.60
Total Comprehensive Income	65.01	52.48

(5) There was export earnings amounting to Rs. 14.15 Crores and outgo was Rs. 157.22 Crores including Rs 122.85 Crores towards Capital Expenditure during the financial year 2019-20.

(6) There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

(1) Background details: Shri Aditya Sanghi is an alumnus of the reputed Rochester institute of USA and has work experience with leading American Companies. He has rich hands on experience in management of the operations of the clinker and cement and implementation and operation of thermal power plant. He implemented many best practices of the manufacturing and has successfully executed diverse projects for the Company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.

(2) Past Remuneration: Shri Aditya Sanghi was paid remuneration of Rs.10,41,667/- per month plus perquisites and benefits during the financial year 2019-20.

Due to Covid-19 pandemic and consequent Lockdown, Shri Aditya Sanghi has foregone his salary from the month of March, 2020 to June, 2020. Further, he has also foregone his Commission for the financial year ended 31st March, 2020.

(3) Recognition and awards: Shri Aditya Sanghi was honored with "Young Entrepreneur of Kutch Award" in the Jury Special Awards Category by Hon'ble Chief Minister of Gujarat State Smt. Anandiben Patel in the ceremony of "The FOKIA Excellence Awards -2013." Mr. Aditya Sanghi has also written various research articles on the process of manufacturing of cement.

(4) Job profile and his suitability: The Whole-time Director is responsible for production, project and corporate strategy subject to the superintendence, control and direction of the Board of Directors. He has rich hands on experience in the management of clinker operations and cement and implementation and operation of thermal power plant. His experience and knowledge has helped the Company to a great extent.

(5) Remuneration proposed: As per details given below.

(6) There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.

(7) Besides the proposed remuneration, Shri Aditya Sanghi has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.

III. Other information:

During the year ended 31st March 2020, the total revenue was Rs. 900.01 Crores against Rs. 1088.23 Crores in the previous year. Company reported a net profit before and after tax of Rs. 65.36 crores for the year ended 31st March, 2020 as against a profit of Rs. 52.60 crores in the previous fiscal. The Total Comprehensive Income for the year is Rs. 65.01 Crores against Rs. 52.48 Crores in previous year. The earnings per share (EPS) for 2019-20 stood at Rs. 2.60 as against EPS of Rs. 2.10 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Now, Company is focusing on expansion of capacity to tap the future potential in the industry. Completion of the project will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Shri Aditya Sanghi for improvement in manufacturing process.

IV. Disclosures:

(A) Salary:

Rs.1.25 crore (Rupees One Crore Twenty Five Lac Only) per annum. The Board may give one or more increment depending upon work performance, working of the Company etc. as per the rules of the Company. He will be entitled for Annual Increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) Commission:

Commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

(C) Perquisites:

1. **Gratuity:** The Company shall pay gratuity as per the Company's rules.
2. **Leave:** He shall be entitled to leave benefits as per the Company's rules.
3. He will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. **Notice period:** The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. **Stock option:** The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 7

Shri Alok Sanghi is armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA, He, 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.

Shri Alok Sanghi was re-appointed for a period of five years w.e.f. 6th September, 2017. In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Alok Sanghi as mentioned hereunder as minimum remuneration if the conditions mentioned in Schedule V are fulfilled.. One of the conditions being that "a special resolution is required to be passed at the general meeting of the company for payment of remuneration for a period not exceeding three years."

Looking to the above requirement of payment of remuneration for a period not exceeding three years, which was approved by members and now it would be necessary to get the approval of members for payment of remuneration to him for his remaining tenure. The Board of Directors has considered it appropriate and advisable to affirm payment of his existing remuneration with effect from 6th September, 2020 for his remaining tenure. The Nomination and Remuneration Committee has also recommended for payment of existing remuneration to him. . The terms and conditions of his remuneration are as under:

(A) Salary: Rs. 1.25 Crore (Rupees One Crore Twenty Five Lac Only) per annum with suitable break up as per the rules of the Company.

He will be entitled for annual increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) In addition to above (A), commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

(C) Perquisites:

Gratuity: The Company shall pay gratuity as per the Company's rules.

Leave: He shall be entitled to leave benefits as per the Company's rules.

(D) He shall be liable to Retire by Rotation.

He shall be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the payment of remuneration to Whole time Director requires the approval of the Shareholders in General Meeting by way of Special Resolution and hence necessary resolution has been proposed for your approval. Your Directors recommend to pass the said resolution as Special Resolution.

Except Shri Alok Sanghi, Shri Ravi Sanghi and Shri Aditya Sanghi being relatives , none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. General Information:

(1) Nature of Industry : Cement Industry

(2) The commercial operations have already begun.

(3) The Company is not a new Company

(4) Financial performance:

(Rs. In Crores)

Particulars	Year ended (Audited) (31-03-2020)	Year ended (Audited) (31-03-2019)
Total Income	900.01	1088.23
Operating Profit	127.44	123.94
Profit Before Tax	65.36	52.60
Profit After Tax	65.36	52.60
Total Comprehensive Income	65.01	52.48

(5) There was export earnings amounting to Rs. 14.15 Crores and outgo was Rs. 157.22 Crores including Rs 122.85 Crores towards Capital Expenditure during the financial year 2019-20.

(6) There are no foreign investments directly in the Company and the Company has not entered into foreign collaboration.

II. Information about the appointee:

(1) Background details: Shri Alok Sanghi is armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA, He, 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.

(2) Past Remuneration: Shri Alok Sanghi was paid remuneration of Rs.10,41,667/- per month plus perquisites and benefits during the financial year 2019-20.

Due to Covid-19 pandemic and consequent Lockdown, Shri Alok Sanghi has foregone his salary from the month of March, 2020 to June, 2020. Further, he has also foregone his Commission for the financial year ended 31st March, 2020.

(3) Recognition and awards: Shri Alok Sanghi was honored with "Young Entrepreneur of Kutch Award" in the Jury Special Awards Category by Hon'ble Chief Minister of Gujarat State Smt. Anandiben Patel in the ceremony of " The FOKIA Excellence Awards -2013." Mr. Alok Sanghi has also written various research articles on the marketing strategies and corporate affairs.

(4) Job profile and his suitability: The Whole-time Director is responsible for marketing and corporate strategies subject to the superintendence, control and direction of the Board of Directors. His experience and knowledge has helped the Company to a great extent.

(5) Remuneration proposed: As per details given below.

(6) There are no companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.

(7) Besides the proposed remuneration, Shri Alok Sanghi has no pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company.

III. Other information:

During the year ended 31st March 2020, the total revenue was Rs. 900.01 Crores against Rs. 1088.23 Crores in the previous year. Company reported a net profit before and after tax of Rs. 65.36 crores for the year ended 31st March, 2020 as against a profit of Rs. 52.60 crores in the previous fiscal. The Total Comprehensive Income for the year is Rs. 65.01 Crores against Rs. 52.48 Crores in previous year. The earnings per share (EPS) for 2019-20 stood at Rs. 2.60 as against EPS of Rs. 2.10 in previous financial year.

The Company has emerged as a major cement player in western India over the last few years. It is ranked as the second largest cement plant at one location in India. It is one of the top 3 players in Gujarat and is also increasing its presence in Maharashtra, Rajasthan and Kerala.

The profits of the Company are in line with the current industrial scenario and are reasonable. The Company's products are very well accepted in the local as well as international market. The Company has made significant growth and the sales of the Company has increased from time to time.

Now, Company is focusing on expansion of capacity to tap the future potential in the industry. Completion of the project will help the Company to further improve its results and profitability. The Company has taken a series of steps under the guidance of Shri Alok Sanghi for improvement and development of the Company.

IV. Disclosures:

(A) Salary:

Rs.1.25 crore (Rupees One Crore Twenty Five Lac Only) per annum. The Board may give one or more increment depending upon work performance, working of the Company etc. as per the rules of the Company. He will be entitled for Annual Increment upto 25% of last salary drawn as may be finalized by Nomination and Remuneration Committee.

(B) Commission:

Commission @ 0.50% of net profits of each financial year as calculated under the provisions of Section 198 of the Companies Act, 2013.

(C) Perquisites:

1. **Gratuity:** The Company shall pay gratuity as per the Company's rules.
2. **Leave:** He shall be entitled to leave benefits as per the Company's rules.
3. He will be entitled for other benefits as per the rules of the Company as available to other senior executives of the Company.
4. **Notice period:** The agreements may be terminated by either party giving the other party six months notice in writing of such termination.
5. **Stock option:** The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 8

Pursuant to Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Top 1000 listed entities based on market capitalization as on 31st March, 2020 shall have atleast one Independent Woman Director by 1st April, 2020. As the Company ("Sanghi Industries Limited") was ranked at "664" as per list dated 31st December, 2019 published by the National Stock Exchange of India Limited (NSE), it was required to appoint Independent Woman Director.

In compliance of the said regulation, the Board of Directors of the Company has appointed Ms. Raina Desai, aged 29 years, as an Additional Director (Categorized as Independent Woman Director) of the Company w.e.f. 5th February, 2020 who will hold office upto the date of ensuing Annual General Meeting. The Company has received from her requisite consent, intimation and a declaration that she meets the criteria of independence as provided under Section 149(6) of the Act, in connection with her appointment as an independent director. Copy of the draft letter of her appointment as an Independent Director would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Company has also received the notice proposing her candidature for appointment as a Director (Independent Category) as required under the provisions of Section 160 of the Companies Act, 2013.

Ms. Raina Desai is a lawyer from Jindal Global Law School & a Commerce Graduate from University of Calcutta. She is a young & dynamic entrepreneurial professional having core focus in Corporate Law, Corporate Governance and Strategy & Business Management.. Currently, Ms. Raina D. Desai, Director — Corporate Advisory Services and M&A in Baker Tilly DHC & Baker Tilly Global Centre of Excellence, a leading consultancy firm providing services in the field of business and tax advisory & solutions, corporate finance advisory, assurance, risk advisory to a number of reputed corporates worldwide. Ms. Desai is affiliated to the Bar Council of Maharashtra & Goa.

Looking to her experience and expertise, Your Board of Directors recommend the passing of the proposed Resolution.

Except Ms. Raina Desai, being the appointee, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Registered Office:
Sanghinagar P.O.,
Hayatnagar Mandal, R. R. District,
Telangana – 501 511

By Order of the Board
for **Sanghi Industries Limited**

Place: Ahmedabad
Date: 24th June, 2020

Anil Agrawal
Company Secretary

SANGHI CEMENT



Local bhi...

Vocal bhi...

33rd ANNUAL REPORT 2019-20

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
Ms. Raina Desai	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 : L18209TG1985PLC005581

DIRECTORS' REPORT

To

The Members of

Sanghi Industries Limited

Your Directors take pleasure in presenting the 33rd Annual Report together with the audited financial statements for the year ended 31st March, 2020.

Financial Performance: **(₹ in Crore)**

Particulars	**2019-2020**	**2018-2019**
Total Income	900.01	1088.23
Profit before Interest, Depreciation and Taxation	205.40	181.27
Interest	77.96	57.33
Operating Profit	127.44	123.94
Depreciation	62.08	71.34
Profit Before Tax (PBT)	65.36	52.60
(Add) / Less : Provision for Tax	-	-
Profit After Tax (PAT)	65.36	52.60
Other Comprehensive Income	(0.35)	(0.12)
Total Comprehensive Income	**65.01**	**52.48**

Dividend

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

Operations and Performance of the Company

During the year ended 31st March, 2020, the total revenue was ₹ 900.01 Crores against ₹ 1088.23 Crores in the previous year. The Profit Before and after Tax for the year has been ₹ 65.36 Crores against ₹ 52.60 Crores in previous year. The Total Comprehensive Income for the year is ₹ 65.01 Crores, against ₹ 52.48 Crores in previous year.

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

Impact of COVID-19

The World Health Organization (WHO) has declared the COVID-19 outbreak as pandemic as on 11th March 2020. The company has immediately given utmost priority to ensure the health and wellbeing of all employees. The Company has created awareness amongst the employees about the need of thermal scanning, sanitization, hygiene, wearing marks and observing social distancing norms and immediately started following it rigorously.

In March -2020, COVID-19 pandemic developed rapidly into a global crisis forcing governments to enforce lock down of all economic activity.

All the operations were disrupted since last week of March, 2020 and the company could partially resume the manufacturing operations at plant at Sanghipuram, Kutch from Mid April ,2020 after obtaining the necessary approval from Government .

From Mid-April -2020 onwards the plants are operating but at a reduced level as compared to corresponding period of previous year to match with the current market demand. The situation however remains very volatile and new challenges emerge each day based on labour availability, logistics etc.

The Company had also adopted "Work from Home policy" for its Corporate Office, Marketing and other offices also. Subsequently the company runs the offices with minimum required staff and given 'Work from Home policy' to certain employees wherever possible.

The Company has complied with all guidelines and advisories issued by Govt. of Gujarat as well as Ministry of Health Affairs, Govt. of India. The Company has been taking series of measures in view of the COVID-19 pandemic to ensure safety and health of all our employees and to ensure compliance with various directives being issued by Central/State/local authorities.

The company has put in place requisite safety measures for the employees including thermal scanning, sanitization, hygiene, wearing marks and observing social distancing norms, extensive use of the Aarogya Setu App etc. as per the guidelines issued by the Government authorities to control the spread of COVID-19.

Due to COVID – 19 , operations were suspended for certain period which has created adverse impact on business and financial position of the Company. overall adverse impact due to this shut down is not immediately assessable and depends on further directions from Central / State Governments.

Management believes that impact is likely to be short term in nature . The management does not see any medium to long term risks in the company's ability to meet the its liabilities as and when fall due.

The Company has been working with and supporting Government in its efforts to combat the COVID -19 pandemic.

Status of Expansion

The company's expansion project at Sanghi Puram, Kutch is at advance stage of completion. The project includes 10,000 TPD Clinker Unit, 67 MW thermal Power Plant and 2 MTPA cement Grinding Capacity. There is some impact on timeline due to poor availability of manpower and equipment due to Covid-19 pandemic. The project is expected to be commissioned between October to December 2020. The satellite grinding unit at Surat is currently on hold and Company will review the Surat capex after commissioning the Kutch Project.

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 is included in the Corporate Governance Report and forms part of this Report, inter-alia deals adequately with the operations and also current and future outlook of the Company during the year under review.

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 2019-20.

Subsidiary Company

As at 31st March 2020, 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, Shri Aditya Sanghi (DIN: 00033755) whole time Director of the Company retires by rotation at the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment.

The Board of Directors has re-appointed Shri Ravi Sanghi (DIN: 00033594) as Chairman & Managing Director of the Company for a period of five years w.e.f. 1st September, 2020 and Shri Nirubha B. Gohil (DIN: 05149953) has been re-appointed as Whole Time Director of the Company for a period of three years w.e.f. 22nd December, 2020, subject to approval of the members at the ensuing Annual General Meeting. The resolutions proposing their reappointment are set out in the notice convening the Annual General Meeting.

In accordance with the provisions of Section 149, 161 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Ms. Raina Desai (DIN: 05113035) has been appointed as an Additional Director in the category of Non Executive Independent Woman Director of the Company w.e.f. 5th February, 2020 to hold the office till the conclusion of forthcoming Annual General Meeting. The resolution proposing regularization of her appointment is set out in the Notice convening the Annual General Meeting.

Your Directors recommend their reappointment \ regularization of 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) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and there has been no change in the circumstances affecting their status as an Independent Directors during the year under review.

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, 2020 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, 2020 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 provisions of all the applicable Secretarial Standards 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 minimize 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. The Audit Committee oversees the risk management system and its adequacy.

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.sanghicement.com/policies

During the year under review the Company has not received any complaint under vigil mechanism established.

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/W100355), Mumbai and M/s. S. K. Mehta & Co., Chartered Accountants (Firm Registration Number: 000478N) 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 2019-20 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 2020-21. The Audit report of the cost accounts of the Company for the year ended 31st March, 2020 will be submitted to the Central Government in due course.

Audit Committee

The Audit Committee of the Company as on 31st March, 2020 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 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.sanghicement.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.

Business Responsibility Statement

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereof for the time-to-time, top 1000 listed companies are required to submit, as part of Annual Report, Business Responsibility Report, describing the initiatives taken by them from the environmental, social and governance perspective, in the format prescribed by SEBI. As the company falls under the list of top 1000 companies, as per the market capitalization as on 31st March, 2020, it is applicable to your company. The Business Responsibility Report of the Company for the year ended 31st March, 2020 is annexed to this report as **Annexure – VI**.

Extract of the Annual Return

Extract of the Annual Return as on 31st March, 2020 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 – VII.**

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.sanghicement.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 2020-21 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 CO_2 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:

- Enhancement in alternative raw material and fuel quantity in manufacturing process
- Up-gradation of air pollution control systems like bag house and ESPs
- Maintain 100% recycling of KPD in the process
- Enhancement of composite cement mix to enhance ash and slag utilization
- Regular carbon footprint analysis for greenhouse gas emission reduction
- Massive plantation in the entire complex

Conservation of Energy, Technology Absorption

(a) **Conservation of energy**		
(i)	the steps taken or impact on conservation of energy;	• Raw Mill and Coal Mills Dam ring height optimization • Upgradation of ILC and SLC firing system • Process optimization in Clinker and Cement plant • Upgradation of cement mill circuit • Optimization of fuel fineness, excess air & false air ingress and flow and mass balance in Clinker plant • Higher usage of alternative fuel in Klin
(ii)	the steps taken by the company for utilizing alternate sources of energy;	• Advancement of Alternative Fuel & Raw Material (AFR) system for solid waste • Obtain permission for co processing of different twenty types of waste • Increase thermal substitution rate year on year and achieved 9.5% TSR during the year.
iii)	the capital investment on energy conservation equipments	₹ 159 Lakhs
(b) **Technology absorption**		
(i)	the efforts made towards technology absorption;	• 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;	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	• New Product / Process Development • Improvement in existing production process (s) • Energy conservation. • Pollution Control • Alternative Fuel and Raw Material • Water conservation
(ii)	Benefits derived as result of the above R&D	• Enhancement in cooler recuperation and cooling efficiency. • Enhancement in TSR (Thermal Substitution Rate) through increased AFT & Raw Material • Development of various types of composite cement which is Eco-friendly • Reduction in overall % of specific Limestone Consumption • Improve conversion factor from raw material to clinker • Reduction in specific water consumption
(iii)	Future Plan of Action	• Usage of waste material in PPC up to 2% • Usage of waste material in PSC upto 3% • Replacement of Natural Gypsum consumption by using Chemical or other Gypsum. • Partially replacement of Pond Ash by using Industrial Waste (Fe Rich) material in Raw Mix • Preparing Gypsum from Waste Material • Optimization of Raw Mix w.r.t. to Cost and Quality • Reducing Clinker Consumption Factor
(iv)	Expenditure on R&D	During the year under review, the Company has incurred ₹ 121.19 Lakhs towards R & D Expenditure charged to revenue.

Foreign Exchange Earnings and Outgo

During the year under review, Foreign Exchange earnings was Rs 1415.18 Lacs and outgo was ₹ 15721.78 lacs including ₹ 12284.81 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 "10th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week 2019" under the aegis of Directorate General of Mines Safety, Ahmedabad Region are as below:-

S. No.	Awards conferred to Jadua Limestone Mines:	Awarded
1	Vocational Training, Improvements & Innovations	First Prize
2	Raising by Surface Miner / Raising by Explosive, Storage & Transportation	Second Prize
	Awards conferred to Motiber Silica Sand Mines:	
1.	Transport Road	First Prize
2.	Observation of safety measures	Third Prize
3.	Overall Performance	Third Prize

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.

Your Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

For and on behalf of the Board

Place : Ahmedabad
Date : 24th June, 2020

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

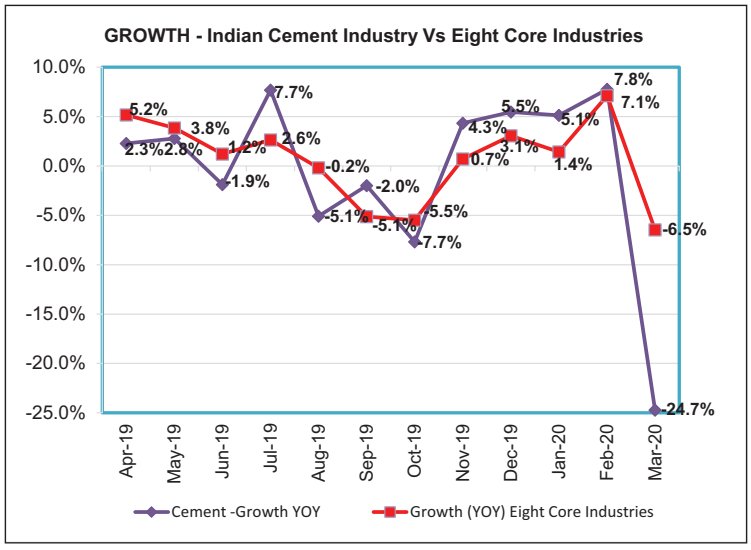
MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 31st March 2020 **("2020")**. 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-20 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 saw a degrowth of 0.8% in FY-20 compared to a growth of 13.3% in FY-19. The cement production was 334.48 million tonne in FY-20 against 337.32 million tonne in FY-19.

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.

➢ **Investments/Developments**

- Real estate attracted around Rs 43,780 crore (US$ 6.26 billion) of investments in 2019.
- As of December 2019, under Pradhan Mantri Awas Yojana (Urban) [PMAY(U)],1.12 crore houses have been sanctioned in urban areas creating 1.20 crore jobs.

- **Government Initiatives**

  Our Government's plan to build 100 smart cities would reduce the migration of people to metro and other developed cities. This will boost infrastructure and other real estate demand in developing/under-developed cities.

  The Government has allowed FDI of upto 100% for townships and settlements development projects.

  Under the Housing for All scheme, 60 million houses are to be built which include 40 million in rural areas and 20 million in urban area by 2022.

  GST rate brought down for under-construction properties. The rates have been cut from 8% to 1% for affordable homes and from 12% to 5% for regular units.

  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**

  FDI received in construction development sector (townships, housing, builtup infrastructure and construction development projects) and construction (infrastructure) activities stood at US $25.37 billion and US $16.15 billion, respectively from April 2000 to December 2019.

  Large investment in infrastructure have provided momentum to overall PE/VC investments into India which touched an all-time high where infrastructure recorded US$ 14.5 billion during 2019 witnessing growth of 225 percent year-on-year. In November 2019, Infrastructure sector witnessed US$ 4.8 billion of PE/VC investment accounting 43 percent of all the investment of the month.

- **Government Initiatives**

  The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.

  100% FDI is permitted under the automatic across various infrastructure sectors.

  In March 2019, National Highway projects worth ₹ 1.10 lac crore were inaugurated.

  In the Union Budget 2020-21, the Government of India has given a massive push to the infrastructure sector by allocating ₹ 1.69 lac crore (US$24.27billion) for the transport infrastructure.

  The Government has targeted 65,000 km of highways by 2022. Coastal connectivity roads of 2,000 kms have been identified for construction and development.

- **Achievements / Developments**

  - In 2018, India was ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. India is ranked second in the 2019 Agility Emerging Markets Logistics Index
  - Highway construction in India increased at 20.57 percent CAGR between FY14-19. In FY19, 10,855 km of highways were constructed. During April-September 2019 a total of length of 4,622 km of national highways were constructed.
  - 30,000 kms of Pradhan Mantri Gram Sadak Yojana (PMGSY) roads have been built till FY2019. This is a nationwide plan to provide good all-weather road connectivity to unconnected villages.

Performance of the Company

1. Recognitions for the Company

The Company has received the following awards.

- The Company has received the following awards during the 10th Gujarat Metalliferous Mines Safety, Swachhata & Silicosis Awareness Week 2019" under the aegis of Directorate General of Mines Safety, Ahmedabad Region.

S. No.	Awards conferred to Jadua Limestone Mines:	Awarded
1	Vocational Training, Improvements & Innovations	First Prize
2	Raising by Surface Miner / Raising by Explosive, Storage & Transportation	Second Prize
S. No.	**Awards conferred to Motiber Silica Sand Mines**	**Awarded**
1	Overall Performance	Third Prize
2	Observation of safety measures	Third Prize
3	Transport Road	First 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.

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

3. Sales

The Company's average realization per bag of domestic cement increased by 14% during FY-20 over FY-19.

The Company's sales volume reduced by 26% during FY-20 due to more than average rainfall in September 2019 quarter in its plant area (Kutch) and deferment of annual maintenance shutdown to industry's peak period of December 2019 quarter instead of monsoon quarter of September 2019 during which maintenance work is generally undertaken.

Sales Volume

Product	FY-20 (lac mt)	FY-19 (lac mt)	% (based on actual figures)
Cement	18.85	25.74	-27%
Clinker	0.07	0.30	-76%
RMC (M^3)	0.77	0.68	14%
Total	**19.69**	**26.72**	**-26%**

Gross Sales **(₹ Crore)**

Product	FY-20	FY-19	Change in FY-20
Cement Domestic	1091.23	1305.67	-16%
Cement Export	14.94	19.02	-21%
Clinker Domestic	2.66	8.36	-68%
Clinker Export	-	-	
RMC (M^3)	30.10	25.51	18%
Total	**1138.93**	**1358.56**	**-16%**
Less : GST and Excise Duty	**251.49**	**297.95**	**-16%**
Sales Net of Taxes	**887.44**	**1060.61**	**-16%**

4. Costs

The major cost analysis for FY-20 over FY-19 is given below.

- The raw material cost per tonne of sale has increased by around 46% in FY-20 over FY-19. Due to production constraints, Company had to purchase clinker to maintain the sales in market. Hence, raw material cost increase includes around 1.16 lac tonne of external clinker purchased forming 31% of the cost.
- Power and fuel cost per tonne of sale marginally reduced by 1.6% in FY-20. The 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 reduced by 4% in FY-20. With introduction of e-bills and new axle load policy, company has been able to rationalize its freight favorably.
- The employees cost and other operating administrative expenditure increased by 16% and 10% respectively. The administrative expenditure has increased mainly because of increase in repairs and maintenance cost.
- The Company's finance cost increased by around 36% in FY-20. Major projects like WHRS, Fly Ash Silo, Raw Mill and Coal Mill upgradation have been capitalized to Fixed Assets. Therefore, the interest capitalization on the project is reduced in FY-20.

Another reason is higher utilisation of working capital limit during FY-20. The working capital outstanding on 31st March 2020 was ₹ 258.56 crore against ₹ 192.69 crore in March 2019.

5. Profits and Margins

The Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of ₹ 205.39 crore in FY-20 against ₹ 181.26 crore in FY-19.

The PBDIT margin to Net Sales was 22.8% for FY-20 and 16.7% for FY-19.

The profit before tax and and profit after tax were ₹ 65.35 crore and ₹ 52.60 crore respectively for FY-20 and FY-19. 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

The Company's expansion project at its existing plant location at Sanghipuram is progressing well with about 97% physically completed till 31st March 2020. 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

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 1 Sub - Clause i	
Inventory Turnover Ratio FY-20 : 2.55 times FY-19 : 5.08 times	The stores and spares inventory has increased during the year due to ongoing capacity expansion project. Also, there was a lower base effect in FY-20; the cost of sales was lower in FY-20 compared to previous year due to lower volumes. These two factors resulted in lower inventory turnover ratio in FY-20.
Debt Equity ratio FY-20 : 0.73 FY-19 : 0.47	This ratio increased due to increase in loans of ongoing capacity expansion project and increase in working capital utilisation/borrowing during FY-20.

Operating Profit Margin FY-20 : 14.7% FY-19 : 7.8 %	Operating Profit is Profit after Depreciation but before Interest and Tax and excludes other income. The primary reason for increase in this margin is increase in net realization per tonne by 14% in FY-20 over FY-19. The other factor is control over overall cost. The operating profit increased by 58% to ₹ 130.85 crore in FY-20 from ₹ 82.67 crore in FY-19 inspite of lower net revenue in FY-20.
Net Profit Margin FY-20 : 7.2% FY-19 : 4.8 %	The primary reason is increase in net realization per tonne by 14%. The Total Comprehensive income increased by 24% to ₹ 65 crore in FY-20 from ₹ 52.48 crore in FY-19 inspite of lower net revenue in FY-20.

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 conductive 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
- 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

1. 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, 2020 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 Ms. Raina Desai

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 2019-20, four (4) Board Meetings were held on 17th May, 2019, 13th August, 2019, 11th November, 2019 and 5th February, 2020. 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	4	No	3	-	-
Shri Alok Sanghi	4	3	No	3	-	-
Smt. Bina Engineer	4	4	Yes	1	-	-
Shri N. B. Gohil	4	2	No	2	-	-
Shri Sadashiv Sawrikar	4	2	Yes	1	-	-
Shri R. K. Pandey	4	4	No	6	6	-
Shri D. K. Kambale	4	4	No	3	3	2
Shri D. B. N. Rao	4	4	Yes	3	-	-
Shri M. K. Doogar	4	3	No	5	5	4
Shri S. Balasubramanian	4	2	No	6	5	1
Ms. Raina Desai ^	4	0	N.A.	3	0	0

^ Appointed as an Independent Woman Director w.e.f. 05.02.2020

** *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	3	Sanghi Industries Ltd. Lloyds Metals and Energy Ltd. Omaxe Limited.	Independent Director 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	5	Sanghi Industries Ltd. Emami Paper Mills Ltd. TTK Healthcare Ltd. Ucal Fuel Systems Ltd. GVK Power & Infrastructure Ltd	Independent Director Independent Director Independent Director Independent Director Independent Director
Ms. Raina Desai	1	Sanghi Industries Ltd.	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.sanghicement.com/independent-director

Shareholding of Non-Executive Directors as on 31st March, 2020 is as follows:

Name of Directors	Number of Equity Shares of Rs 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
Ms. Raina Desai	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.

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 2019-20, four (4) meetings of Audit Committee were held on 17th May, 2019, 13th August, 2019, 11th November, 2019 and 5th February, 2020.

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	2
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	4	2
Shri Ravi Sanghi	Member	4	4
Smt. Bina Engineer	Member	4	4
Shri Aditya Sanghi	Member	4	4
Shri Alok Sanghi	Member	4	3
Shri N. B. Gohil	Member	4	2

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.

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.
- To recommend to the Board, a policy relating to the remuneration for the other executive Directors.

II. Composition and Attendance:

During the year 2019-20, two (2) meetings of Nomination and Remuneration Committee were held on 17th May, 2019 and 5th February, 2020.

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. The policy helps to attract, retain and motivate the employees of the Company to achieve results.

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.

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	1	1
Shri Sadashiv Sawrikar	Member	1	1
Shri Ravi Sanghi	Member	1	1

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 2019-20, two (2) meetings of the Corporate Social Responsibility Committee were held on 17th May, 2019 and 5th February, 2020.

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, 2020. 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 2019-20.

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 5th February, 2020. 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. 06.09.2019	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, 2020 ** 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	171.87	414.17
Commission	-	-

** Due to Covid-19 pandemeic and consequent Lockdown, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors have foregone their salary from the month of March 2020 to June 2020. Further, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi, Shri Alok Sanghi and Smt. Bina Engineer, Executive Directors have also foregone their Commission for the Financial Year ended 31st March 2020.

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 2019-2020.

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.

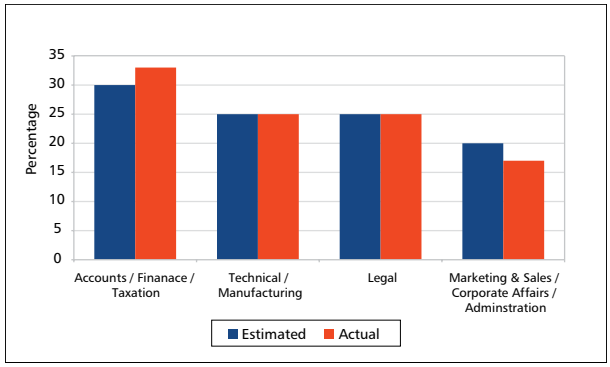
During the year ended 31st March, 2020, the Company has paid the following amount towards sitting fees & incidental expenses to the Directors for attending the Board / Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Independent Directors Meetings:

Name of Director	Sitting Fees Amount (₹)	Incidental Expenses (₹)	Total Amount (₹)
Shri Sadashiv Sawrikar	48000	32000	80000
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	24000	16000	40000
Ms. Raina Desai ^	-	-	-

^ Appointed as Independent Woman Director w.e.f. 05.02.2020

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

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



Skills and Attributes	Description
Accounts / Finance / Taxation	Experience in Financial Management, taxation and having indebt understanding of capital allocation, funding, financial reporting process etc. which in turn is beneficial to the Company.
Technical and Manufacturing	Experience and technical Knowledge of manufacturing, functioning and operations of cement industry and having insight of changing trends, external factors which is in the overall benefit of the Company.
Legal	Understanding the legal ecosystem in which the Company operates and possesses the required skill and knowledge of compliance, governance, laws and regulations applicable to the Company and ensuring its compliance in best possible manner.
Marketing and Sales / Corporate Affairs / Administration	Having understanding of complex business processes, strategic planning, marketing skills and ability to evaluate opportunities in the best interest of the Company.

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	1st July 1952	14th 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	An alumnus of the reputed Rochester Institute of USA, Aditya Sanghi brings with him rich oeuvre of global perspectives. He provides valuable expertise in management of the clinker and cement operations, and the establishment and operation of thermal power plant. He has implemented numerous best manufacturing practices and has successfully executed diverse projects for the company. His expertise endows vital direction to the key functions of production, project management and corporate strategy.
Shri Alok Sanghi, Executive Director DIN: 00033506	13th January, 1984	27th 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.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Smt. Bina Engineer, Executive Director DIN : 01653392	13th April, 1967	27th January, 2007	B.Com, Chartered Accountant. She has over two decades of experience in the sphere of Project and Corporate Finance. Her in-depth know-how and vast experience leads to efficient management of company's Project Funds, Working Capital and other matters of Finance. She has been conferred ICAI with the recognition of "Best CA CFO Award – Woman 2016". She has also been awarded with "Best Woman CFO Award 2018" by Yes Bank and Business World Magazine on 11th May 2018 at Delhi.
Shri. Nirubha B. Gohil, Executive Director DIN : 05149953	16th June, 1950	22nd December, 2011	Diploma in Mechanical Engineering. He is aged about 69 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 65 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	1st June, 1951	12th August, 2011	M.Com, CAIIB, MFM. He is aged about 68 years and is having a rich and varied experience in Banking and Finance. He is the former Chief General Manager in IDBI and he was IDBI's nominee on Board of Directors of various companies.
Shri Dabbir Badri Narayan Rao, Independent Director DIN : 01180539	14th April, 1947	22nd 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 73 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	3rd November, 1942	9th November, 2017	He is a Commerce and Law Graduate and also an Associate Member of the Institutes 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	20th January, 1940	30th April, 2010	M. Com, LLB, Company Secretary, Post Graduate Diploma in Business Administration. He is aged 80 years and is having a rich and varied experience in Finance and Capital Market.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Mahendra K. Doogar, Independent Director DIN : 00319034	1st July, 1951	11th 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.
Ms. Raina Desai Independent Director DIN : 05113035	8th January 1991	5th February, 2020	She is a lawyer from Jindal Global Law School & a Commerce Graduate from University of Calcutta, is a young & dynamic entrepreneurial professional having core focus in Corporate Law, Corporate Governance and Strategy & Business Management.. Currently, Ms. Raina D. Desai, Director — Corporate Advisory Services and M&A in Baker Tilly DHC & Baker Tilly Global Centre of Excellence, a leading consultancy firm providing services in the field of business and tax advisory & solutions, corporate finance advisory, assurance, risk advisory to a number of reputed corporates worldwide. Ms. Desai is affiliated to the Bar Council of Maharashtra & Goa.

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 2020, 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@sanghicement.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, 2020, 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 at the above mentioned E mail ID.

The status of Investors' Complaints during the Financial Year 2019-20 as under:

Particulars	No. of Complaints
Complaints at the beginning of the year	0
Complaints received during the year	2
Complaints resolved during the year	2
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
2019	14.09.2019	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.00 a.m.	5
2018	03.07.2018	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.00 a.m.	3
2017	24.06.2017	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.00 a.m.	8

No special resolution requiring a postal ballot was passed during the Financial Year 2019-20.

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 2019-20 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.sanghicement.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.sanghicement.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, 2020.
- 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.sanghicement.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.sanghicement.com/investors-relations

C. Website:

The Company's Website www.sanghicement.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 30th September, 2020 at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511
Financial Year / Calendar	:	**1st April, 2020 to 31st March, 2021**
1. Results for first quarter ending 30th June, 2020	:	On or before 14th August, 2020
2. Results for second quarter ending 30th September, 2020	:	On or before 14th November, 2020
3. Results for third quarter ending 31st December, 2020	:	On or before 14th February, 2021
4. Results for fourth quarter ending 31st March, 2021	:	On or before 30th May, 2021
Listing on Stock Exchanges		
Equity Shares	:	**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/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Debt Securities (Debentures)	:	**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 PO. 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, transposition or relodgement of securities) is not being processed after 31st March, 2019.

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 2019-20 are as under:

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-2019	68.80	60.40	69.95	60.25
2	May-2019	72.00	53.00	72.50	58.20
3	Jun-2019	71.50	60.10	71.90	60.10
4	Jul-2019	68.00	55.60	68.00	55.60
5	Aug-2019	61.20	47.00	61.40	47.00
6	Sept-2019	59.05	46.30	59.80	46.10
7	Oct-2019	53.00	45.25	52.80	45.45
8	Nov-2019	46.40	36.00	46.50	35.85
9	Dec-2019	39.95	34.75	39.50	34.60
10	Jan-2020	44.30	36.20	44.30	35.70
11	Feb-2020	40.45	29.80	40.50	29.50
12	Mar-2020	33.10	17.60	33.15	16.40

E. Distribution of Equity Shareholding as on 31st March, 2020

No. of Shares	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	20543	80.34	3200209	1.27
501 – 1000	2350	9.19	1932205	0.77
1001 – 2000	1185	4.63	1867549	0.74
2001 – 3000	441	1.72	1147904	0.46
3001 – 4000	227	0.89	820994	0.33
4001 – 5000	206	0.81	982685	0.39
5001 – 10000	310	1.21	2373063	0.95
10001 – and above	309	1.21	238675391	95.09
Total	**25571**	**100.00**	**251000000**	**100.00**

F. Distribution of Equity Shareholding according to categories of Shareholders as on 31st March, 2020

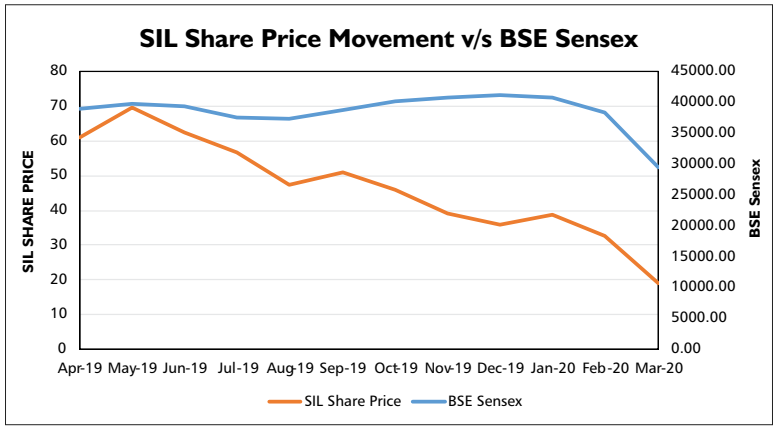
Category	No. of Shares	Amount (in Rs)	% to total
Promoter & Promoter Group	176530619	1,76,53,06,190	70.33
Public			
a) Mutual Funds	30408186	30,40,81,860	12.11
b) Alternative Investment Funds	1377651	1,37,76,510	0.55
c) Foreign Portfolio Investor	10085321	10,08,53,210	4.02
d) FIs / Banks	107736	10,77,360	0.04
e) Insurance Companies	0	0	0
f) FII	0	0	0
g) Non-resident Indians / OCBs	892377	89,23,770	0.36
h) Trust	10000	1,00,000	0.00
i) Clearing Members	479645	47,96,450	0.19
j) Bodies Corporate	6678663	6,67,86,630	2.66
k) Individual / HUF	24429802	24,42,98,020	9.74
Total	**251000000**	**251,00,00,000**	**100.00**

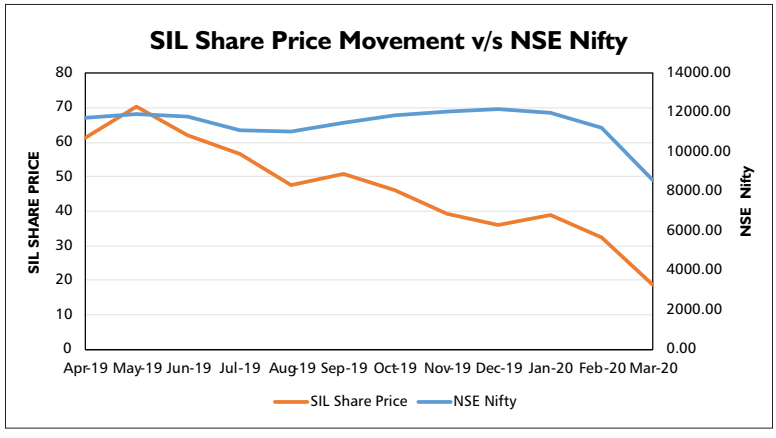
G. Dematerialization of Shares and Liquidity:

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

As on 31st March, 2020, 100% of the Equity Share Capital, representing 25,10,00,000 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
1	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 Udgata
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)
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	0.30
Payment for Limited Review	0.03
Payment For Other Services	0.03
Total	**0.36**

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 2019-2020. The Code of Conduct is also posted on the website of the Company www.sanghicement.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 ₹ 400.17 Crore towards Issue expenses and Capital Expenditure.

For and on behalf of the Board

Place: Ahmedabad
Date : 24th June, 2020

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

CERTIFICATE

To,
The Members,
SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of **SANGHI INDUSTRIES LIMITED** (the Company) having its registered office situated at Sanghi Nagar, Hayatnagar, Tq. Ranga Reddy, Dist. Hyderabad, Telngana - 501511 which were produced before us by the Company (including receipt of documents by way of electronic means on account of ongoing pandemic of Covid - 19) for the purpose of issuing a 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.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company as on 31.03.2020 have been debarred or disqualified from being appointed or continuing as a Directors of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

For, Parikh Dave & Associates
Company Secretaries

Umesh G. Parikh
Partner
Practicing Company Secretary
FCS No. 4152 C P No. 2413

Place : Ahmedabad
Date : 5th June 2020

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, 2020 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, 2020, 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: 24th June, 2020

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;
- 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;
- 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/ WTD / 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;
- 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;
- To consider any other matters as may be requested by the Board;

For and on behalf of the Board

Place : Ahmedabad
Date : 24th June, 2020

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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,
Tq. RangaReddy, Dist. Hyderabad,
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 whether electronically or otherwise 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, 2020 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, 2020 and made available to us , 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, 2018; - (During the year under review Not Applicable to the Company);

(d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 - (During the year under review Not Applicable to the Company);

(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 - (During the year under review Not Applicable to the Company);

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018- (During the year under review Not Applicable to the Company); 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. The changes in the composition of the Board that took place during the year under review were carried out in compliance of the provisions of the Act.

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, we are of the opinion of that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable 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
Practicing Company Secretary
FCS No. 4152 CP. No. 2413

Place : Ahmedabad
Date : 5th June 2020

Notes:

1. 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.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers, disclosures from Directors and other records etc., received by us by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.

ANNEXURE - A

To,

The Members,

SANGHI INDUSTRIES LIMITED
CIN: L18209TG1985PLC005581
Sanghi Nagar, P.O.Hayatnagar,
Tq. RangaReddy, Dist. Hyderabad,
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 CP. No. 2413

Place : Ahmedabad
Date : 5th June 2020

Annexure IV

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

(i) Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2020;

Sr. No.	Director	Remuneration (₹ in lacs P.A.) (Refer Note 1)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	171.88	5.77	30
2.	Shri Aditya Sanghi	114.58	5.77	20
3.	Shri Alok Sanghi	114.58	5.77	20
4.	Smt. Bina Engineer	125.00	5.77	22
5.	Shri N B Gohil	60.00	5.77	10

Note -1

Due to Covid-19 pandemeic and consequent Lockdown, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors have foregone their salary from the month of March 2020 to June 2020. Further, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi, Shri Alok Sanghi and Smt. Bina Engineer, Executive Directors have also foregone their Commission for the Fianncial Year ended 31st March 2020.

(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	Nil

Note -2

Further, Smt.Bina Engineer and Shri N B Gohil, Executive Directors have foregone their 30% salary and Shri Anil Agarwal, Company Secretary has foregone his 20% salary from the month of April 2020 to June 2020.

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: 3% increase in median remuneration of employees of the Company.

(iv) The number of permanent employees on the rolls of company: 905 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 2019-20 was 6.79%. The Managerial remuneration is reduced during the year by 5.63% (Refer Note-1 in point (i) above).

(vi) Affirmation that the remuneration is as per the remuneration policy of the company: It is affirmed that the remuneration paid is as per the remuneration policy of the company.

For and on behalf of the Board

Place : Ahmedabad
Date : 24th June, 2020

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.sanghicement.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	69.68

4. Prescribed CSR expenditure

Prescribed CSR expenditure is as detailed below:

Particulars	**(₹ In Crore)**
Prescribed CSR expenditure (2% of ₹ 69.68 Crore)	1.39

5. Details of CSR spent during the financial year 2019-20

Particulars	**(₹ In Crore)**
(a) Total amount spent during the year	1.45
(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	10,000	10,000	10,000	Direct
2	Water supply during Draught to nearby villages during summer	Disaster Relief by making available safe drinking water	Kutch, Gujarat	5,50,000	5,51,000	5,61,000	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.	Scholarship to village students	Promoting education including special education and employement enhancing vocation skills	Kutch, Gujarat	30,000	30,000	5,91,000	Direct
4.	Donation to Akshay Patra for sponsoring mid day meals for students	Eradicating hunger, poverty and malnutrition	Ahmedabad	2,70,000	2,68,400	8,59,400	Direct
5.	Shree Mata na Madh Devi Pilgrim Seva Camp	Protection and promotion of Culture	Kutch, Gujarat	1,60,000	1,56,290	10,15,690	Direct
6.	Donation for the Development of underprivileged children	Livelihood enhancement projects.	Kutch, Gujarat	1,60,000	1,57,895	11,73,585	Direct
7.	Education activities-School Expenses	Promoting Education including special education and employment enhancing vocation skills	Kutch, Gujarat	15,00,000	14,95,188	26,68,773	Trust
8.	Education activities-School Expenses through Smile Foundation	Promoting Education including special education and employment enhancing vocation skills	Ahmedabad, Gujarat	90,000	90,000	27,58,773	Direct
9.	Water pipeline - Water project	Promoting health care and sanitation	Kutch, Gujarat	2,00,000	2,00,000	29,58,773	Direct
10.	Donation to Shree Swami Vivekanand Yuva Madal for health improving activities to the economically backward community especially women, childern, elderly and rural population affected by diseases.	Promoting health care including preventive heath care, livelihood enhancement projects and empowering women.	Kutch, Gujarat.	16,00,000	15,90,000	45,48,773	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*
11	Contribution towards free heart operation by Prashanti Charitable Trust at Sri Satya Sai Heart hospital	Promoting health care including preventive heath care	Andhra pradesh	10,00,000	10,00,000	55,48,773	Direct
12.	Education activities-School Expenses	Promoting Education including special education and employment enhancing vocation skills	Kutch, Gujarat	47,00,000	47,41,095	1,02,89,868	Direct
13.	Green Belt Development	Ensuring the environment sustainability, ecological balance and protection of flora and fauna	Kutch, Gujarat	42,00,000	41,62,436	1,44,52,304	Direct
14	Expenses for measures taken for prevention of COVID 19	Promoting health care including preventive health care and sanitation	Kutch, Gujarat	30000	30,857	1,44,83,161	Direct
			Total	**1,45,00,000**	**1,44,83,161**	**1,44,83,161**	

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 : 24th June, 2020

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

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Annexure-VI

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2019-20

Section A: General Information about the Company

1	Corporate Identity Number (CIN)	L18209TG1985PLC005581
2	Name of the Company	Sanghi Industries Limited
3	Registered Address	Sanghinagar P.O. Hayatnagar Mandal, R R District, Telangana – 501 511
4	Website	www.sanghicement.com
5	E-mail id	companysecretary@sanghicement.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Industrial Group: 2394 — Description: Ordinary Portland and Portland Pozzolana Cement
8	List three key product/services that the Company manufactures/provides (as in balance sheet)	Cement Clinker RMC
9	Total number of locations where business activity is undertaken by the Company: 1. Number of International Locations 2. Number of National Locations	 NIL Seven
10	Markets served by the Company (Local/State/National/ International)	Local - Yes State - Yes National - Yes International - Yes

Section B: Financial Details of the Company

1	Paid up capital (INR)	₹ 251.00 Crore
2	Total turnover (INR)	₹ 900.01 Crore
3	Total Profit after taxes (INR)	₹ 65.36 Crore
4	Total Profit after taxes and other Comprehensive income (INR)	₹ 65.01 Crore
5	Total Spending on CSR as percentage of profit After tax (%)	The company has spent ₹1.45 crores during financial year 2019-20 which amounts to 2.08% of the average net profits for last three years.
6	List of activities in which expenditure in 5 above has been incurred	1. Animal Welfare 2. Water Supply during draught to nearby villages during summer 3. Promoting education including special education and employment enhancing vocation skills 4. Eradicating hunger, poverty and malnutrition 5. Protection and Promotion of Culture 6. Livelihood enhancement projects 7. Promoting health care including preventive health care and sanitation 8. Ensuring the environment sustainability, ecological balance and protection of flora and fauna

Section C: Other Details

1	Does the Company have any Subsidiary Company / Companies?	As on 31st March, 2020, the Company does not have any Subsidiary Company.
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?	Not Applicable
3	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30- 60%, More than 60%]	No other entity / entities with whom Company does business i.e. suppliers, distributors, etc. do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Sr. No.	Particulars	Details
1	DIN (if applicable)	05149953
2	Name	Shri N B Gohil
3	Designation	Whole Time Director

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	05149953
2	Name	Shri N B Gohil
3	Designation	Whole Time Director
4	Telephone Number	02831-274131/32/33
5	E mail Id	info@sanghicement.com

2. Principle-wise (as per NVGs) BR Policy / Policies:

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics P1	Product Life Responsibility P2	Employee Well-being P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Policy Advocacy P7	Inclusive Growth P8	Customer Value P9
1	Do you have a policy / policies for …..	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	_
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y

Sr. No.	Questions	Business Ethics P1	Product Life Responsibility P2	Employee Well-being P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Policy Advocacy P7	Inclusive Growth P8	Customer Value P9
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	www.sanghicement.com/policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key stakeholders of the Company. The communication is an on-going process to cover all stakeholders.								
8	Does the Company have in-house structure to implement the policy /policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy /policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	Y

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The management of the Company oversees the implementation and monitor the BR performance on periodical basis.
2	Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?	The Business Responsibility Report (BRR) is applicable to our company w.e.f. 31st March, 2020. Company will publish BRR annually alongwith Annual Report.

Section E: Principle-wise Performance

Principle-1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers / Contractors /NGOs / Others?	Company has adopted a policy of Code of Business Conduct and Ethics. The policy relating to ethics, bribery and corruption covers the Directors as well as employees of the organization. Additionally, the company has also adopted Code of Conduct for Vendors & Business Ethics Policy. The said policy covers suppliers / vendors / agents / contractors etc.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	The Company has established centralized sustainable development cell 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 devised the manufacturing process of cement in a manner taking care of social and environmental concerns, risks and opportunities. The company has adopted best in class technologies and processes to manufacture its product, which use optimal resources. Manufacturing process involves use of six stage three strings pre-heater, vertical roller mill, state of the art clinker loading terminals, surface miner for mining and closed circuit cement grinding systems which are most energy efficient and technologically advanced as on date. The company has implemented series of measures during the year like Enhancement in alternative raw material and fuel quantity in manufacturing process, up-gradation of air pollution control systems like bag house and ESPs, maintain 100% recycling of KPD in the process, enhancement of composite cement mix to enhance ash and slag utilization, regular carbon footprint analysis for greenhouse gas emission reduction and massive plantation in the entire complex

2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional): a) Reduction during sourcing / production / distribution achieved since the previous year through the value chain: b) Reduction during usage by consumers (energy, water) achieved since the previous year?	The company strives its best to reduce the specific resources consumed per unit of cement produced. The Company has optimized Raw Mill and Coal Mills Dam ring height optimization, up-gradation of ILC and SLC firing system, process optimization in Clinker and Cement plant, Up-gradation of cement mill circuit, optimization of fuel fineness, excess air & false air ingress and flow and mass balance in Clinker plant and higher usage of alternative fuel in Kiln The details of the reduction during usage by consumers achieved since previous year are not available with the company.
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company has established centralized Environmental team 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 system in place to comply with the applicable standards related to environment. All inputs are sourced on sustainable basis. Company has installed closed belt conveyor of 3.2 Km for transportation of Limestone from Mines to Clinker plant, automated Alternative Fuel & Raw Material (AFR) system in Clinker plant for utilizing different waste of 19 categories which has generated by other industries as an alternative fuel in Kiln. The Company has long term Leases/ Agreements for sourcing limestone, Silica Sang, Latrite and clay. The Company believes that sustainability in logistics may be achieved by using less polluting and less fuel consuming transport option and therefore the Company has hired transport service from nearby transporter service providers. The Company has established its own Bulk Cement Terminals & owns a fleet of specialized Bulk Cement Carriers (Ships) for transportation of cement by sea route as a sustainable source of transportation of cement. The Company is also having a system in place to ensure that transporters follow all the stipulated rules and regulations.
4	Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?	Yes, the Company is procuring products and services from local producers/small scale vendors and communities surrounding to its plant location at a reasonably good price and on fair terms and conditions which is in their benefit so that they can improve their capacity / capability. The contractors who are engaged in operations, maintenance and housekeeping, mostly employ workmen from surrounding villages.

5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes, the Company has implemented a system to recycle product and waste. The company has vigorously pursued its goal of sustainable development through exacting standard in environmental conservation, emission control, promotion of alternative fuel & raw materials and waste management. 100% fly ash and bottom ash utilization, which is generated through own captive thermal power plant in own cement production. Substitution of natural Gypsum with waste material (chemical gypsum). 60% recycling of Kiln Process Dust in to final product circuit. 90% recycling of waste water generated from colony and reused in dust suppression and greenbelt development. Achieved 9.5% TSR through usage of AFR

Principle 3: Business should promote the wellbeing of all employees

1	Please indicate total number of employees	905
2	Please indicate total number of employees hired on temporary / contractual / casual basis	920
3	Please indicate the number of permanent women employees	21
4	Please indicate the number of permanent employees with disabilities	2
5	Do you have an employee association that is recognized by the Management?	No
6	What percentage of permanent employees is members of this recognized employee association?	Nil
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

Sr. No.	Category	No. of Complaints filed during Financial Year	No. of complaints pending as on end of Financial Year
1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	

A.	Permanent employees	90%
B.	Permanent women employees	92%
C.	Casual / Temporary / Contractual employee	73%
D.	Employees with disabilities	100%

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the company mapped its Internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. communities around plants and its workers / contractual workers.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Company has established full-fledged hospital with full functioning Pathological Lab at Plant site under the name of "Sarvodaya Health Care Centre" for the employees and nearby villagers. Free Medical Check ups and free medicines are being provided to villagers of surrounding 15 villages. The Company is also running the Sarvodaya Trust a CBSE affiliated High School - "Smt. Kamla Rani Sanghi Public School" at Sanghipuram, Kutch. The School is having its own building with adequate teaching and support staff, laboratories, library and a huge play ground. Apart from running this school, the Trust has opened Balwadies in the 3 nearby villages - Akri, Jadva & Motibar. The Trust also encourages adult education in the nearby villages. Teachers of the school are moving in the nearby villages educating the children and adults by taking special classes. Further, the Company is Industry partner at ITI - Panandhro - Kutch in developing 'Centre of Excellence' through Public Private Partnership Scheme of Central Government for up-gradation of ITIs since 2008-09.

Principle 5: Business should respect and promote human rights:

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company is having IMS Policy which supports and respects the human rights. Our company is committed to provide necessary resources to safeguard the quality, health, safety, environment and welfare of our employees and all the people affected by our operations. The Company addresses the human rights by complying applicable laws like Factories Act, Labour Welfare Act, etc. Company has embodied some human rights principals such as child labour, forced labour, etc. The Company has well established policy for prohibition of sexual harassment of women at workplace.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Principle 6: Business should respect, protect, and make effort to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.	The Environment Policy is applicable to Sanghi Industries Limited.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.	Yes, the Company has implemented strategies and initiatives to reduce GHG emissions. The company has conducted regular Carbon footprint analysis to study the total GHG emissions from Cement Manufacturing, Bulk terminals, RMC units and HO and Regional Offices and identified scope of improvement. SIL is committed for GHG emissions abatement and reflected through its actions on continuous improvement of Thermal and electrical energy efficiencies, Continuous up-gradation of technologies, Promoting the utilization of alternative raw material & fuel and waste heat recovery.
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The company has participated in CDM project in the year 2007 for installation of C2 string for energy efficiency. This project was designed to accrue 18636 Certified Emission Reduction for next 10 years. The company had obtained Host Country Approval.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. The company has focused priority on clean technology, energy efficiency and renewable energy. The company has commissioned 15 MW waste heat recovery system in clinker plant. The company has monitoring its specific electrical and thermal energy consumption and employs measures for improving energy efficiency. The company has carried out carbon footprint analysis to identify GHG reduction potential.
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. The company implemented various measures to ensure complete compliance to the applicable emission / waste standards.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	No show cause / legal notices received from CPCB / SPCB which are pending as on end of the financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.	The Company is a member of several industry associations through which it interacts with its peers and discusses key issues in the products which it manufactures. The major associations where the Company is a member are:- 1. Confederation of Indian Industry (CII) 2. Federation of Indian Mineral Industries (FIMI) 3. Cement Manufacturers' Association (CMA) 4. Gujarat Chamber of Commerce & Industry (GCCI) 5. Federation of Kutch Industries Association (FOKIA) 6. Gujarat Mineral Industry Association (GMIA)

2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	Yes. We continue to work with Associations for advocating good practices in the Industry, energy conservation, sustainable mining practices, use of alternative fuels, Economic Reforms, and Policy interventions in environment, climate change and sustainability.

Principle 8: Business should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company 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. The Company is undertaking various socio-economic welfare activities relating to - Rural Development - Public Welfare & Charitable Work - Health & Education - Drinking Water Supply - Conservation of Wild Life - Protection of Environment - Maintaining sanitation & hygiene - Medical help to needy people - Preventive health care and sanitation The above programs / initiatives are aligned with CSR Policy in line with Section 135 and Schedule-VII of the Companies Act, 2013.
2	Are the programmes/projects undertaken through inhouse team/own foundation / external NGO / government structures/any other organization?	The Company is undertaking the above mentioned CSR activities either directly or through its registered trust called "SARVODAYA TRUST".
3	Have you done any impact assessment of your initiative?	All CSR activities shall be monitored by the CSR Committee. The assessment is done through discussions among the Committee members/and CSR execution team and other participants for further improvement.
4	What is the Company's direct contribution to community development projects- Amount in INR and details of the projects undertaken?	The Company has spent Rs. 1.45 Crores on CSR activities during the year 2019-20 which includes sustainability development, animal welfare, education, community development, heath care & sanitation, Preventive health care and sanitation etc.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Company has developed monitoring mechanism for ensuring implementation of the projects / programs/activities proposed to be undertaken by the Company. Our team members identify the needs of the nearby community and supervise the programs which are being implemented and whether they are benefiting to them or not. The Company is always eager to promote new initiatives for community development.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No customer complaints/consumer cases are pending as on the end of the Financial Year.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	The company displays Product information as mandated by Bureau of Indian Standard (BIS)
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.If so, provide details thereof, in about 50 words or so.	There is no such case filed by any stakeholder during last five years and pending as on end of financial year i.e. 31.03.2020.
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	Yes, we do carry consumer survey for continuous improvement in our product and services.

Annexure – VII

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS

i	CIN	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 -1)	Sanghi Industries Limited, Sanghinagar P.O., Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511 Tel. No. 08415 – 242240 Fax No. 08415- 242239

Note-1
The Company has established In House electronic connectivity for Share Transfer Registery 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
1	Ordinary Portland and Portland Pozzolana Cement	2394	98.60%

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(01.04.2019)				No. of Shares held at the end of the year(31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	81120692	0	81120692	32.32	85251328	0	85251328	33.96	1.65
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	83822475	0	83822475	33.39	91279291	0	91279291	36.37	2.98
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	**164943167**	**0**	**164943167**	**65.71**	**176530619**	**0**	**176530619**	**70.33**	**4.63**

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2019)				No. of Shares held at the end of the year(31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other…	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**164943167**	**0**	**164943167**	**65.71**	**176530619**	**0**	**176530619**	**70.33**	**4.62**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	29574581	0	29574581	11.78	30408186	0	30408186	12.11	0.33
b) Banks/FI	110475	0	110475	0.04	107736	0	107736	0.04	0.00
C) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(a) Alternate Investment Funds	1384380	0	1384380	0.55	1377651		1377651	0.55	0.00
(b) Foreign Portfolio Investor	11945337	0	11945337	4.76	10085321	0	10085321	4.02	-0.74
SUB TOTAL (B)(1):	**43014773**	**0**	**43014773**	**17.14**	**41978894**	**0**	**41978894**	**16.72**	**-0.41**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	18448492	0	18448492	07.35	6678663	0	6678663	2.66	-4.69
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	12529556	9855	12539411	5.00	12636550	0	12636550	5.03	0.04
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	10733849	0	10733849	4.28	11793252	0	11793252	4.70	0.42
c) Others (specify)									
NRI	762265	0	762265	0.30	892377	0	892377	0.36	0.05
Clearing Members	527043	0	527043	0.21	479645	0	479645	0.19	-0.02
Trust	31000	0	31000	0.01	10000	0	10000	0.00	-0.01
SUB TOTAL (B)(2):	**43032205**	**9855**	**43042060**	**17.15**	**32490487**	**0**	**32490487**	**12.94**	**-4.20**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**86046978**	**9855**	**86056833**	**34.29**	**74469381**	**0**	**74469381**	**29.67**	**-4.62**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	00.00	0.00
Grand Total (A+B+C)	**250990145**	**9855**	**251000000**	**100.00**	**251000000**	**0**	**251000000**	**100.00**	**0.00**

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the Beginning of the year (01.04.2019)					Shareholding at the end of the year(31.03.2020)					% 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	Sri Ram Sharan Sanghi	187000	0.07	100.00	0.00	100.00	187000	0.07	100.00	0.00	100.00	0.00
2	Sri Ravi Sanghi	49869750	19.87	72.13	24.56	96.69	49869750	19.87	75.26	24.56	99.82	0.00
3	Sri Gireesh Sanghi	1354457	0.54	13.81	0.00	13.81	1342478	0.53	13.93	0.00	13.93	0.00
4	Smt. Kamala Rani Sanghi	140250	0.06	100.00	0.00	100.00	140250	0.06	100.00	0.00	100.00	0.00
5	Smt. Anita Sanghi	1020200	0.41	100.00	0.00	100.00	1020200	0.41	100.00	0.00	100.00	0.00
6	Smt. Alka Sanghi	1071535	0.43	13.09	0.00	13.09	1074150	0.43	13.06	0.00	13.06	0.00
7	Ms. Ekta Sanghi	343750	0.14	100.00	0.00	100.00	343750	0.14	100.00	0.00	100.00	0.00
8	Ms. Arti Sanghi	343750	0.14	100.00	0.00	100.00	343750	0.14	100.00	0.00	100.00	0.00
9	Sri Ravi Sanghi HUF	7866000	3.13	100.00	0.00	100.00	7866000	3.13	100.00	0.00	100.00	0.00
10	Sri Gireesh Sanghi HUF	7866000	3.13	100.00	0.00	100.00	7866000	3.13	100.00	0.00	100.00	0.00
11	Sri Aditya Sanghi	2889500	1.15	100.00	0.00	100.00	4959500	1.98	58.26	0.00	58.26	0.82
12	Sri Alok Sanghi	2889500	1.15	100.00	0.00	100.00	4959500	1.98	58.26	0.00	58.26	0.82
13	Sri Ashish Sanghi	2639500	1.05	100.00	0.00	100.00	2639500	1.05	100.00	0.00	100.00	0.00
14	Sri Gaurav Sanghi	2639500	1.05	100.00	0.00	100.00	2639500	1.05	100.00	0.00	100.00	0.00
15	SZF Private Limited	6884000	2.74	100.00	0.00	100.00	6884000	2.74	100.00	0.00	100.00	0.00
16	Sanghi Threads Private Limited	1754000	0.70	100.00	0.00	100.00	1754000	0.70	100.00	0.00	100.00	0.00
17	Sanghi Filaments Private Limited	2287500	0.91	100.00	0.00	100.00	2287500	0.91	100.00	0.00	100.00	0.00
18	Sanghi Poly Zips Private Limited	1482500	0.59	100.00	0.00	100.00	1482500	0.59	100.00	0.00	100.00	0.00
19	Sanghi Synthetics Private Limited	1675000	0.67	100.00	0.00	100.00	1675000	0.67	100.00	0.00	100.00	0.00
20	Alpha Zippers Private Limited	1675000	0.67	100.00	0.00	100.00	1675000	0.67	100.00	0.00	100.00	0.00
21	Fancy Zippers Private Limited	1468750	0.59	100.00	0.00	100.00	1468750	0.59	100.00	0.00	100.00	0.00
22	Balaji Zippers Private Limited	2775000	1.11	100.00	0.00	100.00	2775000	1.11	100.00	0.00	100.00	0.00
23	SKK Zippers Private Limited	3575000	1.42	100.00	0.00	100.00	3575000	1.42	100.00	0.00	100.00	0.00
24	Maruti Fastners Private Limited	1468750	0.59	100.00	0.00	100.00	1468750	0.59	100.00	0.00	100.00	0.00
25	Sanghi Polymers Private Limited	4700000	1.87	100.00	0.00	100.00	4700000	1.87	100.00	0.00	100.00	0.00
26	Samruddhi Investors Services Pvt.Ltd.	54076975	21.54	4.62	95.36	99.98	61533791	24.52	4.06	83.80	87.87	2.97
	Total:	**164943167**	**65.71**	**59.03**	**38.69**	**97.72**	**176530619**	**70.33**	**56.04**	**36.15**	**92.19**	**4.62**

(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 Gireesh Sanghi				
	At the beginning of the year	1354457	0.54	1354457	0.54
	Decrease in Shareholding				
	Sale of Shares in open market on various dates	-11979	0.00	1342478	0.53
	At the end of the year	**1342478**	**0.53**	**1342478**	**0.53**
2	Smt. Alka Sanghi				
	At the beginning of the year	1071535	0.43	1071535	0.43
	Increase in Shareholding				
	Purchase of Shares from open market on various dates	2615	0.00	1074150	0.43
	At the end of the year	**1074150**	**0.43**	**1074150**	**0.43**
3	**Shri Aditya Sanghi**				
	At the beginning of the year	2889500	1.15	2889500	1.15
	Increase in Shareholding				
	Purchase of Shares from open market				
	19th February, 2020	650000	0.26	3539500	1.41
	6th March, 2020	700000	0.28	4239500	1.69
	13th March, 2020	720000	0.29	4959500	1.98
	At the end of the year	**4959500**	**1.98**	**4959500**	**1.98**
4	**Shri Alok Sanghi**				
	At the beginning of the year	2889500	1.15	2889500	1.15
	Increase in Shareholding				
	Purchase of Shares from open market				
	20th February, 2020	650000	0.26	3539500	1.41
	6th March, 2020	700000	0.28	4239500	1.69
	13th March, 2020	720000	0.29	4959500	1.98
	At the end of the year	**4959500**	**1.98**	**4959500**	**1.98**
5	**Samruddhi Investors Services Private Limited**				
	At the beginning of the year	54076975	21.54	54076975	21.54
	Increase in Shareholding				
	Purchase of Shares from open market				
	27th September, 2019	7456816	2.97	61533791	24.52
	At the end of the year	**61533791**	**24.52**	**61533791**	**24.52**

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, 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	Franklin India Smaller Companies Fund	7304740	2.91	8639643	3.44
2	Reliance Capital Trustee Co Ltd-A/C Nippon India Multi Cap Fund	5485087	2.19	7539440	3.00
3	Government Pension Fund Global	7430034	2.96	7430034	2.96
4	Reliance Capital Trustee Co Ltd-A/C Nippon India Growth Fund	5819110	2.32	5919110	2.36
5	Navdurga Voyage Private Limited	8143468	3.24	4003368	1.59
6	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	4823337	1.92	3512460	1.40
7	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	3212520	1.28	3260308	1.30
8	Ashish Agarwal	2020943	0.81	2020943	0.81
9	Suresh Kumar Agarwal	2000000	0.80	2000000	0.80
10	Ashmore India Opportunities Fund	1384380	0.55	1377651	0.55
11	Balaji Voyage Private Limited	7456816	2.97	0	0.00

(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	**Sri Ravi Sanghi, Chairman and Managing Director**				
	At the beginning of the year	49869750	19.87	49869750	19.87
	Decrease / Increase in shareholder	0	0	0	0.00
	At the end of the year	**49869750**	**19.87**	**49869750**	**19.87**
2	**Mr. Aditya Sanghi, Whole Time Director**				
	At the beginning of the year	2889500	1.15	2889500	1.15
	Increase in shareholding				
	Purchase of Shares from open market	2070000	0.82	4959500	1.98
	At the end of the year	**4959500**	**1.98**	**4959500**	**1.98**
3	**Mr. Alok Sanghi, Whole Time Director**				
	At the beginning of the year	2889500	1.15	2889500	1.15
	Increase in shareholding				
	Purchase of Shares from open market	2070000	0.82	4959500	1.98
	At the end of the year	**4959500**	**1.98**	**4959500**	**1.98**
4	**Smt. Bina Engineer, Whole Time Director & CFO**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**

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
5	**Shri N B Gohi, Whole Time Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
6	**Shri Sadashiv Sawarikar, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
7	**Shri D K Kambale, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
8	**Shri D B N Rao, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
9	**Shri R K Pandey, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
10	**Shri M K Doogar, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
11	**Shri S. Balasubramanian, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
12	**Ms. Raina Desai, Director**				
	At the beginning of the year	**0**	**0**	**0**	**0**
	Decrease / Increase in shareholder	**0**	**0**	**0**	**0**
	At the end of the year	**0**	**0**	**0**	**0**
13	**Shri Anil Agrawal, Company Secretary**				
	At the beginning of the year	**100**	0.00	100	0.00
	Decrease / Increase in shareholder	0	0	0	0.00
	At the end of the year	**100**	**0.00**	**100**	**0.00**

V INDEBTEDNESS

(in ₹ in Crore)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount	771.07	-	-	771.07
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	5.66	-	-	5.66
Total (i+ii+iii)	**776.73**	**0.00**	**0.00**	**776.73**
Change in Indebtedness during the financial year				
Additions	550.74	-	-	550.74
Addition / (Reduction) in interest accrued during the year	(0.66)	-	-	(0.66)
Reduction (Net of forex fluctuation and other adjustments)	65.91	-	-	65.91
Net Change	**484.17**	**0.00**	**0.00**	**484.17**
Indebtedness at the end of the financial year				
i) Principal Amount	1,255.90	-	-	1,255.90
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	5.00	-	-	5.00
Total (i+ii+iii)	**1,260.90**	**0.00**	**0.00**	**1,260.90**

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.	17,187,500	11,458,333	11,458,333	12,500,000	6,000,000	58,604,166
(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	-	-	-	-	-	-

(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	
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission					-	-
	as % of profit					-	-
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	**17,187,500**	**11,458,333**	**11,458,333**	**12,500,000**	**6,000,000**	**58,604,166**
	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 Compliances of Schedule V of the Companies Act, 2013.					

Due to Covid-19 pandemeic and consequent Lockdown, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors have foregone their salary from the month of March 2020 to June 2020.

Further, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi, Shri Alok Sanghi and Smt. Bina Engineer, Executive Directors have also foregone their Commission for the Fianncial Year ended 31st March 2020.

Further, Smt.Bina Engineer, and Shri N B Gohil, Executive Directors have foregone their 30% salary and Shri Anil Agarwal, Company Secretary has foregone his 20% salary from the month of April 2020 to June 2020.

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**	**Ms. Raina Desai**	
	(a) Fee for attending board committee meetings	48000	90000	78000	42000	33000	24000	0	315000
	(b) Commission	-	-	-	-	-	-	-	-
	(c) Others - Incidental Expenses	32000	60000	52000	28000	22000	16000	0	210000
	Total	**80000**	**150000**	**130000**	**70000**	**55000**	**40000**	**0**	**525000**
	Total Managerial Remuneration								**59129166**
	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 Compliances 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
1	**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/COMPPOUNDING 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,

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Date: 24th June, 2020
Place: Ahmedabad

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, 2020 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

Rohit Mehta
Partner
Membership No. 091382

Ahmedabad : June 24, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SANGHI INDUSTRIES LIMITED

Report on the Audit of 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, 2020, 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, 2020, its Profit including other 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 on the Financial Statements.

Emphasis of Matter

We draw attention to Note No. 43 to the Financial Statement, which describes the impact of Covid-19 pandemic on the company's operations and results as assessed by the management.

Our opinion is not modified in respect of this matter.

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.	Property, Plant and Equipment	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. The management reviews the estimated depreciable lives and the residual value of property, plant and equipment annually. We focused on this matter because of the complexity involved in determining the residual value and useful life.	Our audit procedures in relation to the depreciable life of Property, Plant and Equipment included: Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment. Benchmarking the useful life of plant & machinery by comparing the peers in the cement industry. Placing the reliance on the technical report of Chartered Engineer for complexity involved in the residual value of plant & machinery Review of the internal assessment done by the management and independent opinion done by the management. Assessment of appropriateness of disclosures provided in the Financial Statements.

Information Other than the Financial Statements and Auditor's Report thereon

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 to Director's Report, Management Discussion Analyses 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.

Responsibilities of Management 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 (Ind AS) 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 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.

Those 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.

- 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 for the financial year ended March 31, 2020 and are therefore the key audit matter. 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 Indian 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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, 2020.

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

Vitesh D. Gandhi
Partner
Membership Number: 110248
UDIN: 20110248AAAAAR6917

Place: Mumbai
Date: June 24, 2020

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

Rohit Mehta
Partner
Membership Number: 091382
UDIN: 20091382AAAAII4424

Place: New Delhi
Date: June 24, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANGHI INDUSTRIES LIMITED

(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" section of our report of even date)

i) 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) a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.

b) According to the information and explanations provided to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the information and explanation given to us, there are no dues of Income-tax, Sales-tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authority on account of a dispute, except for items as set out below:

Name of Statue	Nature of Dues	Amount (in Crore)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	53.23	Various years	Customs, Excise & service tax Appellate Tribunal
Service Tax The Finance Act, 1994	CENVAT Credit	1.86	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

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) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi) According to the information and explanations provided by the management, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion, the Company is not a nidhi company. Therefore, provisions of clause (xii) of Paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, 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 earlier year in Note 10 D) of Notes to the Financial Statements.

xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of Act.

xvi) According to the information and explanations provided to us, the provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Vitesh D. Gandhi
Partner
Membership Number: 110248
UDIN: 20110248AAAAAR6917

Place: Mumbai
Date: June 24, 2020

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

Rohit Mehta
Partner
Membership Number: 091382
UDIN: 20091382AAAAII4424

Place: New Delhi
Date: June 24, 2020

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 under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sanghi Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India. 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 with reference to these Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial control, both issued by the Institute of Chartered Accountants of India. 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 with reference to Financial Statements 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 with reference to these Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Financial Statements, 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 internal financial controls system over financial reporting with reference to Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these Financial Statements 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 with reference to these Financial Statements 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 with reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Financial Statements, 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 with reference to these Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to theses Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Financial Statements and such internal financial controls over financial reporting with reference to these Financial Statements were operating effectively as at March 31, 2020, 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.

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

Vitesh D. Gandhi
Partner
Membership Number: 110248
UDIN: 20110248AAAAAR6917

Place: Mumbai
Date: June 24, 2020

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

Rohit Mehta
Partner
Membership Number: 091382
UDIN: 20091382AAAAII4424

Place: New Delhi
Date: June 24, 2020

BALANCE SHEET AS AT 31 MARCH 2020

INR in crores

Particulars	Note	31 March, 2019	31 March, 2019
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	**2**	1,706.20	1,605.06
(b) Capital work in progress	**2**	1,004.13	436.82
(c) Deferred tax assets (net)	**3**	86.05	86.05
(d) Other non current assets	**4**	19.68	103.41
Total non current assets		**2,816.06**	**2,231.34**
2 Current assets			
(a) Inventories	**5**	356.58	237.29
(b) Financial Assets			
(i) Trade receivables	**6**	39.38	44.18
(ii) Cash and cash equivalents	**7**	2.28	0.45
(iii) Bank balances other than Cash and Cash Equivalent	**8**	51.64	166.20
(c) Other current assets	**9**	138.32	136.40
Total current assets		**588.20**	**584.52**
TOTAL ASSETS		**3,404.26**	**2,815.86**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	**10**	251.00	251.00
(b) Other Equity	**11**	1,464.36	1,399.36
Total Equity		**1,715.36**	**1,650.36**
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**12**	880.22	521.18
(ii) Other financial liabilities	**13**	56.82	31.42
(b) Provisions	**14**	37.18	38.42
Total non current liabilities		**974.22**	**591.02**
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**12**	258.56	192.70
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	**15**	0.06	0.08
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	**15**	132.91	192.96
(iii) Other financial liabilities	**16**	252.45	122.67
(b) Deferred Revenue	**17**	6.74	9.57
(c) Other current liabilities	**18**	23.99	23.55
(d) Provisions	**19**	39.97	32.95
Total current liabilities		**714.68**	**574.48**
Total liabilities		**1,688.90**	**1,165.50**
TOTAL EQUITY AND LIABILITIES		**3,404.26**	**2,815.86**
Significant Accounting Policies	**1**		
The accompanying notes 1 to 45 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

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

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

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

Place : Ahmedabad
Date : 24th June, 2020

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
Raina Desai	- Independent Director
Anil Agrawal	- Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

INR in crores

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Sale of Products (Refer Note 38)		887.42	1,060.61
Other Operating Income		0.13	0.37
I. Revenue from Operations		**887.55**	**1,060.97**
II. Other income	**20**	12.46	27.26
III. Total Income (I+II)		**900.01**	**1,088.23**
IV. Expenses			
Cost of materials consumed	**21**	95.87	89.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**22**	-24.13	8.16
Power and fuel		216.26	298.63
Employee Benefits Expense	**23**	48.27	41.68
Selling Expenses	**24**	258.66	366.78
Finance costs	**25**	77.96	57.33
Depreciation and Amortization Expenses	**26**	62.08	71.34
Other Expenses	**27**	99.69	102.63
Total Expenses (IV)		**834.66**	**1,035.63**
V. Profit before Exceptional Items and Tax (III – IV)		**65.35**	**52.60**
VI. Exceptional Items		0.00	0.00
VII. Profit before Tax (V – VI)		**65.35**	**52.60**
VIII. Tax expense:			
1. Current Tax		-	-
2. Deferred tax		-	-
IX. Profit for the year (VII – VIII)		**65.35**	**52.60**
X. Other comprehensive income	**28**		
A I) Items that will not be reclassified to profit or loss		-0.35	-0.12
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		-	-
		-0.35	**-0.12**
XI. Total comprehensive income for the year		**65.00**	**52.48**
XII. Earnings per equity share	**29**		
1. Basic		2.60	2.10
2. Diluted		2.60	2.10
Significant Accounting Policies	**1**		
The accompanying notes 1 to 45 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

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

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

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

Place : Ahmedabad
Date : 24th June, 2020

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
Raina Desai	- Independent Director
Anil Agrawal	- Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

INR in crores

		31.3.2020	31.3.2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before Tax	65.35	52.60
	Adjustments for:		
	Depreciation and amortisation	62.08	71.34
	Loss/(Profit) on sale of Fixed Assets	(0.38)	0.09
	Exceptional cost	-	-
	Interest Income	(7.20)	(22.06)
	Foreign Exchange (gain)/loss	1.70	1.71
	Interest and other Financial Charges	77.96	57.33
	Operating Profit before Working Capital Changes	**199.51**	**161.01**
	Adjustments for:		
	(Increase)/Decrease in Inventories	(119.29)	(89.79)
	(Increase)/Decrease in Trade Receivables	4.80	(12.10)
	(Increase)/Decrease in Other Current Assets and Loans and Advances	(1.08)	(33.37)
	Increase/(Decrease) in Trade Payables	(60.07)	60.34
	Increase/(Decrease) in Long Term Provisions	-	-
	Increase/(Decrease) in Other Current and Non-Current Liabilities and Provisions	46.29	37.25
	Cash from operating activities	**70.16**	**123.34**
	Income Taxes (paid) / Refund	1.17	(1.06)
	Net Cash from operating activities	**71.33**	**122.28**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Additions of Fixed Assets (including Capital Work-In-Progress)	(597.54)	(399.88)
	Sale of Fixed Assets	4.36	0.30
	Withdrawal/(Investment) in Fixed Deposit with Banks	114.56	261.44
	Interest Received	7.65	26.26
	Net Cash used in investing activities	**(470.97)**	**(111.88)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Movement in Working Capital Borrowing	65.86	29.70
	Increase in Long term borrowings	484.88	116.85
	Repayment of long term borrowings	(70.65)	(101.05)
	Interest and other Financial Charges	(78.62)	(55.86)
	Cash from Financing activities	**401.47**	**(10.36)**

INR in crores

	31.3.2020	31.3.2019
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**1.83**	**0.04**
Cash and Cash equivalents (Opening Balance)	0.45	0.41
Cash and Cash equivalents (Closing Balance)	**2.28**	**0.45**
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	0.78	0.18
Bank Balances	1.50	0.27
Cash and Cash Equivalents as above as per Note 7	**2.28**	**0.45**

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 : Mumbai

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

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

Place : Ahmedabad
Date : 24th June, 2020

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
Raina Desai	- Independent Director
Anil Agrawal	- Company Secretary

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDING 31 MARCH 2020

Particulars	Reserves & Surplus				Total
	Security Premium	Capital redemption reserve	Debenture Redemption reserve	Retained earnings	
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 retained earnings			21.90		21.90
Total	**0.00**	**0.00**	**21.90**	**52.48**	**74.38**
Less:					
Transfer to Debenture redemption reserve				-21.90	-21.90
Total	**0.00**	**0.00**	**0.00**	**-21.90**	**-21.90**
Balance at 31 March, 2019	**409.34**	**84.84**	**22.77**	**882.41**	**1,399.36**
Additions:					
Profit for the year				65.35	65.35
Other comprehensive income for the year (Remeasurement of defined benefit plan)				-0.35	-0.35
Total	**0.00**	**0.00**	**0.00**	**65.00**	**65.00**
Balance at 31 March, 2020	**409.34**	**84.84**	**22.77**	**947.40**	**1,464.36**

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 : Mumbai

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

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

Place : Ahmedabad
Date : 24th June, 2020

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
Raina Desai	- Independent Director
Anil Agrawal	- Company Secretary

Significant Accounting Policies

Note 1

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 BSE Limited in India The Financial Statements were approved and adopted by Board of Directors of the company in their meeting held on 24th June, 2020.

B. Significant accounting policies

a. Basis of preparation

i. Compliance with Indian Accounting Standards

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.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities (including derivative instruments) are measured at fair value.

b. Revenue from contract with customers

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognized upon transfer of control of promised goods to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods. In determining the transaction price for the sales of goods, the company considers the effects of variable consideration and existence of significant financing components if any.

c. Interest Income

Interest income is recognised using the effective interest rate method.

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 statement of profit and loss during the reporting period in which they are incurred.

Items of spare parts that meets the definition of 'Property, plant and equipment' are 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.

Expenditure directly attributable to setting up / construction of new projects are capitalised. Administrative and other general overhead expenses, which are specifically attributable to the setting up / construction activities, incurred during the construction period are capitalised as part of the indirect cost. Other indirect expenditure incurred during such period which are not related to the setting up / construction activities are charged to Statement of Profit and Loss.

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. Profit/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. Leases

Effective 1 April 2019, the Company adopted IndAS116 "Leases" and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right of use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March2019 have not been adjusted and therefore will continue to be reported as per Ind AS.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contact involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses.

Right-of-use assets are depreciated/ amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right of use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated / amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

f. Impairment of asset

Carrying amount of Property, Plant and Equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

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

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying 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. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are expensed in the period in which they occur.

h. 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:

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

ii. 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 statement of profit and 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.

i. 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.

j. Taxes on Income

Current 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.

Deferred tax asset on unabsorbed depreciation and carried forward losses is recognized only if there is virtual certainty supported by convincing evidence.

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.

k. 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.

l. 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.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

n. 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.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss 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 or loss attributable to equity holders 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.

p. 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.

q. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit or loss 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.

r. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or

4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

s. Foreign currency translation

The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the respective currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

t. 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.

u. Rounding off

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note – 2 Property, Plant and Equipment

Current Year **INR in crores**

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As on 1st April 2019	Additions	Disposals/ Adjustments	As on 31st March 2020	Upto 31.03.2019	Charge for the year	Disposals/ Adjustments	As on 31st March 2020	W.D.V as on 31st March 2020	W.D.V as on 31st March 2019
Owned Assets										
Freehold land	332.36			332.36	0.00			0.00	332.36	332.36
Building	170.42	5.39	0.29	175.52	71.59	5.25	0.06	76.78	98.74	98.83
Building - Right Of Use		13.53		13.53		1.50		1.50	12.03	0.00
Leasehold Improvements	4.87			4.87	0.11	0.48		0.59	4.28	4.77
Plant and Equipment	2,201.54	142.73	5.61	2,338.66	1,061.85	49.07	1.89	1,109.03	1,229.63	1,139.69
Furniture and Fixtures	21.79	1.49	0.00	23.28	8.97	1.03	0.00	10.00	13.28	12.82
Vehicles	17.23	3.57	0.06	20.74	11.33	1.91	0.03	13.21	7.54	5.91
Office Equipment	2.43	0.22	0.00	2.65	1.57	0.28	0.00	1.85	0.80	0.86
Electrical Installations	115.10	0.12	0.00	115.22	108.33	1.43	0.00	109.76	5.46	6.77
Laboratory Equipment	2.11	0.00	0.00	2.12	1.16	0.19	0.00	1.36	0.76	0.95
Computers	9.66	0.15	0.00	9.81	7.59	0.93	0.00	8.53	1.28	2.07
Fire Fighting Equipments	0.10			0.10	0.10			0.10	0.00	0.00
Temple	0.03			0.03	0.00			0.00	0.03	0.03
Sub-total	2,877.66	167.20	5.96	3,038.90	1,272.60	62.08	1.98	1,332.70	1,706.20	1,605.06
Capital work-in-progress	436.82	695.08	127.76	1,004.13					1,004.13	436.82
TOTAL	**3,314.48**	**862.27**	**133.72**	**4,043.04**	**1,272.60**	**62.08**	**1.98**	**1,332.70**	**2,710.34**	**2,041.88**

Foot notes :

1. **It includes INR 54.14 Cr interest capitalised during FY 2019-20 (FY 2018-19 INR 32.29 Cr)**
2. **Refer Note 12 regarding information for Assets Hypothication/ Pledged for Borrowings**
3. **Refer Note 32 regarding Capital Commitment for Property, Plant & Equipment**
4. **Refer Note 40 regarding accounting of leases**
5. **During the previous year 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 Rs.4.52 Cr and consequently profit for the year ended 31.03.2019 is higher by Rs. 4.52 Cr.**

Note – 2

Property, Plant and Equipment

Previous Year **INR 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	0.00			0.00	332.36	332.36
Building	170.42			170.42	66.38	5.21		71.59	98.83	104.04
Leasehold Improvements	0.00	4.87		4.87	0.00	0.11		0.11	4.77	0.00
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	0.00	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	0.00		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	0.00	0.00
Temple	0.03			0.03	0.00			0.00	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**

Note - 3 Deferred tax Assets / (Liabilities)
Component of Deferred Tax Assets (Net) is provided as under

INR in crores

Particulars	31 March, 2020	31 March, 2019
Deferred tax Assets (DTA)		
Unabsorbed depreciation	182.00	197.30
Others	150.20	172.85
Total Deferred tax Assets (DTA)	**332.20**	**370.15**
Deferred tax Liabilities (DTL)		
Difference between Tax Depreciation & Book Depreciation	(271.73)	(264.07)
Deferred tax Liabilities (DTL)	**(271.73)**	**(264.07)**
Net deferred tax Assets	**60.47**	**106.08**
Less: Deferred Tax Assets not recognized considering matter of prudence	**1.95**	**47.56**
A. Net deferred tax Assets	**58.52**	**58.52**
B. Mat Credit Entitlement	**27.53**	**27.53**
Total Deferred tax Assets (A + B)	**86.05**	**86.05**

Notes:

The company has not recognized such DTA in the accounts considering matter of prudence.

Last year figures have been recasted to align with current year presentation.

INR in crores

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 4		
Other Non Current assets		
Unsecured, considered good		
Capital Advances	13.62	96.18
Advance Income tax	6.06	7.23
Total	**19.68**	**103.41**
Note 5		
Inventories		
Raw Materials	2.64	5.10
Fuel Stock	59.41	70.84
Work-in-progress	0.47	0.19
Finished goods	45.59	21.74
Stores, spares and components (including packing material)	248.47	139.42
Total	**356.58**	**237.29**
Refer Note 12 regarding information for Hypothication / Pledged of Inventory for Borrowings		
Refer Note 1 (j) for valuation of Inventory		

INR in crores

Particulars	As at 31 March, 2020	As at 31 March, 2019
Note 6		
Trade Receivables		
Unsecured, Considered Good		
From related parties	0.00	0.00
From others	39.38	44.18
	39.38	**44.18**
Note 7		
Cash and Cash Equivalent		
Balances with banks		
In current accounts	1.50	0.27
Cash in hand	0.78	0.18
Total	**2.28**	**0.45**
Note 8		
Bank balances other than Cash and Cash Equivalent		
Margin money *	30.05	32.87
Fixed deposits having original maturity over 3 months	21.59	133.33
Total	**51.64**	**166.20**
*** 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	0.39	0.29
Advance to suppliers and contractors	44.77	49.25
Deposit with Government Department (Refer note – 32)	46.18	48.52
Others	46.98	38.33
Total	**138.32**	**136.40**

Note 10 Share Capital

INR in crores

Particulars	As at			
	31 March, 2020		31 March, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of INR 10/- each	350,000,000	350.00	350,000,000	350.00
Preference shares of INR 100/- each *	20,000,000	200.00	20,000,000	200.00
		550.00		**550.00**
Issued share capital				
Equity shares of INR 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 INR 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**

Note (a) : Equity share capital	31 March, 2020		31 March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period Balance	251,000,000	251.00	251,000,000	251.00
Changes in equity share capital during the year.	-	-	-	-
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

INR in crores

Particulars	31 March, 2020		31 March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity				
Opening Balance	251,000,000	251.00	251,000,000	251.00
Shares issued	0	0.00	0	0.00
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 INR 10 per share. Each member is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

B) The details of Shareholders holding more than 5 % of Shares

Particulars	31 March, 2020		31 March, 2019	
	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	61,533,791	**24.52**	54,067,975	**21.54**
Ravi Sanghi	49,869,750	**19.87**	49,878,750	**19.87**
	111,403,541	**44.39**	**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) The company has issued and allotted 3,10,21,000 equity shares of Rs. 10 each to the Qualified Institutional Buyers (QIB) on 25/01/2018 at issue price of Rs. 129 per equity share(including premium of Rs. 119 per equity share) aggregating to Rs.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 Rs.251 Cr. Issue Expenses amounting to Rs. 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.

End Use	INR in crores
QIP Issue fees and funds raising fees	32.17
Capex	368.00
Total	**400.17**

Note 11 Other Equity

INR in crores

Particulars	As at	
	31 March, 2020	31 March, 2019
Security Premium		
Opening Balance as per last accounts	409.34	409.34
Addition during the year	0.00	0.00
Utilised during the year	0.00	0.00
Closing Balance	**409.34**	**409.34**
Capital Redemption Reserve		
Opening Balance as per last accounts	84.84	84.84
Addition during the year	0.00	0.00
Closing Balance	**84.84**	**84.84**
Debenture Redemption Reserve		
Opening Balance as per last accounts	22.78	0.88
Addition during the year	0.00	21.90
Transferred to retained earnings	0.00	0.00
Closing Balance	**22.78**	**22.78**
Retained Earnings		
Opening Balance as per last accounts	882.40	851.82
Total Comprehensive Income for the year	65.00	52.48
Transferred from Debenture Redemption Reserve	0.00	0.00
Transferred to Debenture Redemption Reserve	0.00	-21.90
Closing Balance	**947.40**	**882.40**
Total Other Equity	**1,464.36**	**1,399.36**

Description of Reserve

Security Premium

Security Premium is used to record the premium on the issue of shares / securities. This amount is utlised 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

Ministry of Corporate Affairs has notified Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16 August 2019. As per the amendment, Debenture Redemption Reserve (DRR) is not required to be created in case of listed companies. Accordingly, the Company has not created any Debenture Redemption Reserve during the year. Further, the outstanding balance of Debenture Redemption Reserve created upto 31 March 2019 shall be written back as and when the respective debentures are redeemed.

Note - 12 Financial Liabilities : Borrowings

INR in crores

Particulars	As at 31st March, 20		As at 31st March, 19	
	Non-Current	Current	Non-Current	Current
a) Working Capital Loans				
Secured – From Banks[1]		258.56		192.70
b) Term Loans				
Secured – From Banks[1]	427.55		160.06	
Secured – From Others[2]	284.52		108.50	
c) Debentures (Secured)				
10.50% Redeemable and Non-convertible Debenture of INR 1000/- each[3]	168.15	0.00	252.62	0.00
TOTAL	**880.22**	**258.56**	**521.18**	**192.70**

Disclosures on borrowings for March 2020

Loan	Security	Repayment terms	As at 31st March, 20		
			Non-Current	Current	Current Maturities on Long Term Borrowings
1. 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.	0.00	258.56	0.00
Term Loans	Tranche I - First Pari-passu charge on fixed assets Tranche 2 - First exclusive charge on certain assets	*Tranche I- Repayable in 60 equal monthly installments from April 2019 to October 2024. *Tranche 2- Repayable in monthly installments starting from April 2017 to November 2020	110.98	0.00	21.52
	First exclusive charge on ships	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till July 2023.	14.06	0.00	5.62
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from Dec '2021 Qtr	100.61	0.00	0.00
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from Dec '2021 Qtr	104.71	0.00	0.00
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from Dec '2021 Qtr	65.25	0.00	0.00
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from Dec '2021 Qtr	31.93	0.00	0.00
2. Loan from Others					
	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.52	0.00	0.08
	First pari-passu charge on fixed Assets	** Payable at the end of 3rd Year with a put option of Rs. 5.75 Crore per quarter	45.52	0.00	0.00
	First pari-passu charge on fixed Assets	** Equated Monthly installments starting from November 2017 to August 2024	24.11	0.00	3.30

Loan	Security	Repayment terms	As at 31st March, 20		
			Non-Current	Current	Current Maturities on Long Term Borrowings
	Hypothecation of specific equipments.	Equated Monthly installments starting from December 2017 to November 2021	0.16	0.00	0.22
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from Dec '2021 Qtr	139.80	0.00	0.00
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from Dec '2021 Qtr	71.60	0.00	0.00
	Hypothecation of cars	* Equated Monthly installments.	2.81	0.00	1.04
3. 10.50% Redeemable and Non-convertible Debenture of INR 1000/- each	First pari-passu charge on fixed Assets	Yearly Installment from March 2021 to March 2023	168.15	0.00	85.33
Total			**880.22**	**258.56**	**117.11**

*The Company has availed the relief on Working Capital Interest and Term Loan Interest and Instalments under Reserve Bank of India (RBI) Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and it has further applied for extended reliefs for the same under RBI Circular DOR.No .BP.BC.71/21.04.048/2019-20 dated May 23, 2020. from its Bankers and Lenders

* Current maturities does not includes Rs. 7.96 crore of principal instalments where moratorium for instalments is requested by the company as per RBI guidelines for which approval is yet to given by the Bankers.

** Current maturities does not includes Rs. 47.04 crore of principal instalments where moratorium for instalments is requested by the company as per RBI guidelines for which approval is yet to given by the Lenders. Company has also requested for waiver of excercising put option for which approval is yet to be given by lenders.

Disclosures on borrowings for March 2019

Loan	Security	Repayment terms	As at 31st March, 19		
			Non-Current	Current	Current Maturities on Long Term Borrowings
1. 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.	0.00	192.70	0.00
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	128.00	0.00	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	0.00	5.16
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from June '2021 Qtr	13.98	0.00	0.00

Loan	Security	Repayment terms	As at 31st March, 19		
			Non-Current	Current	Current Maturities on Long Term Borrowings
2. Loan from Others					
	Hypothecation of specific equipments.	Equated Monthly installments starting from April 2015 to August 2019	0.00	0.00	0.22
	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.60	0.00	0.07
	First pari-passu charge on fixed Assets	Payable at the end of 3rd Year with a put option of Rs. 5.75 Crore per quarter	62.77	0.00	0.00
	First pari-passu charge on fixed Assets	Equated Monthly installments starting from November 2017 to October 2023.	27.37	0.00	5.80
	Hypothecation of specific equipments.	Equated Monthly installments starting from December 2017 to November 2021	0.37	0.00	0.19
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from June '2021 Qtr	14.49	0.00	0.00
	First pari-passu charge on fixed Assets	32 quarterly instalments starting from June '2021 Qtr	1.38	0.00	0.00
	Hypothecation of cars	Equated Monthly installments.	1.53	0.00	0.80
3. 10.50% Redeemable and Non-convertible Debenture of INR 1000/- each	First pari-passu charge on fixed Assets	Yearly Installment from March 2021 to March 2023	252.62	0.00	0.00
Total			**521.18**	**192.70**	**57.19**

INR in crores

Particulars	As at	
	31 March, 2020	31 March, 2019
Note 13		
Other financial liabilities		
Security Deposits from Customers and Contractors/Transporters	45.29	31.42
Lease obligations	11.53	-
Total	**56.82**	**31.42**

INR in crores

Particulars	As at	
	31 March, 2020	31 March, 2019
Note 14		
Long term provisions		
Employee benefits		
Gratuity	5.30	5.04
Leave encashment	1.73	1.64
Other provisions		
Asset retirement obligation	0.08	0.08
Mines restoration	0.19	0.18
District Mineral Fund	0.11	0.11
National Mineral Exploration Trust	0.42	0.42
Electricity Duty	29.35	30.95
Total	**37.18**	**38.42**
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	0.08	0.07
Add: Provision during the year	0.00	0.01
Less: Utilisation during the year		
Closing Balance	**0.08**	**0.08**
Provision for Mines Restoration Expenses		
Opening Balance	0.18	0.17
Add: Provision during the year	0.01	0.01
Less: Utilisation during the year		
Closing Balance	**0.19**	**0.18**
Provision for District Mineral Fund		
Opening Balance	0.11	0.11
Add: Provision during the year	-	-
Less: Utilisation during the year		-
Closing Balance	**0.11**	**0.11**
Provision for National Mineral Exploration Trust		
Opening Balance	0.42	0.52
Add: Provision during the year	0.00	0.48
Less: Utilisation during the year	0	0.58
Closing Balance	**0.42**	**0.42**
Provision for Electricity Duty		
Opening Balance	30.95	31.15
Add: Provision during the year	-	0.00
Less: paid during the year	1.60	0.20
Closing Balance	**29.35**	**30.95**

INR in crores

Particulars	As at	
	31 March, 2020	31 March, 2019
Note 15		
Current financial liabilities : Trade payables		
(a) Dues of creditors other than Micro and Small Enterprises	132.91	192.96
(b) Dues of Micro and Small Enterprises*	0.06	0.08
Total	**132.97**	**193.04**
* 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	117.11	57.19
Interest accrued but not due on borrowings	5.00	5.66
Other payables:		
Salary payable	8.10	4.33
Other Employee Related liabilities	3.50	5.36
Payable for capital goods	78.45	25.79
Lease obligations	1.05	-
Other financial liabilities*	39.24	24.34
Total	**252.45**	**122.67**
* Other Financial Liability includes purchase invoice discounting of Rs.14.25 crore. (previous year NIL).		
Note 17		
Deferred Revenue		
Deferred Revenue	6.74	9.57
Total	**6.74**	**9.57**
Note 18		
Current liabilities : Others		
Advance received from Customers	16.75	11.37
Statutory dues	5.75	9.61
Other Payables	1.49	2.57
Total	**23.99**	**23.55**
Note 19		
Current provisions		
Employee benefits		
Gratuity	1.22	0.95
Leave Encashment	0.40	0.30
Other provisions		
Provision for Expenses	38.35	31.70
Total	**39.97**	**32.95**

INR in crores

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Note 20		
Other Income		
Interest income	7.20	22.06
Other non-operating income (net)	5.26	5.20
Total Other income	**12.46**	**27.26**
Note 21		
Cost of Materials consumed		
Opening stock	5.10	6.09
Add: Purchases	93.41	88.10
Less: Closing stock	-2.64	-5.10
Total of cost of material consumed	**95.87**	**89.09**
Details of Material consumed		
Lime Stone	18.72	28.01
Fly Ash	12.84	16.94
Gypsum	3.86	7.13
Clinker consumed	33.98	4.05
Raw Material for Ready Mix Concrete	8.28	8.14
Other Raw materials	18.19	24.82
Total	**95.87**	**89.09**
Note 22		
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock:		
Finished goods	45.59	21.74
Work-in-progress	0.47	0.19
	46.06	21.93
Less:		
Opening Stock :		
Finished goods	21.74	29.68
Work-in-progress	0.19	0.42
	21.93	30.10
Net decrease / (increase) of finished goods and work in progress	**-24.13**	**8.17**

INR in crores

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Note 23		
Employee benefit expense		
Salaries & Wages and Bonus	46.38	40.18
Contribution to Provident Fund & Other Benefits	0.88	0.87
Staff Welfare Expenses	1.01	0.63
Total of employee benefit expense	**48.27**	**41.68**
Note 24		
Selling expenses		
Freight outward	231.05	332.48
Stevedoring expenses	12.78	14.36
Sales and promotion expenses	14.83	19.94
Total of selling expenses	**258.66**	**366.78**
Note 25		
Finance costs		
Interest on Borrowings	70.32	52.69
Other borrowing cost	7.64	4.64
Total of finance Costs	**77.96**	**57.33**
Note 26		
Depreciation & Amortisation Expenses		
Depreciation expenses	62.08	71.34
Total of Depreciation expenses	**62.08**	**71.34**

INR in crores

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Note 27		
Other Expenses		
Manufacturing expenses		
Consumption of packing material	21.90	33.94
Consumption of stores and spares	14.11	10.68
Other manufacturing expenses	7.69	12.43
Other operating expenses		
Repairs to plant and machinery	21.28	12.00
Repairs to building	2.65	1.52
Advertisement	4.86	5.44
Audit fees[1]	0.34	0.23
Insurance	3.83	1.99
Foreign exchange loss (net)	4.25	7.04
Corporate social Responsibility expenses[2]	1.45	1.54
Other operating administrative expenses	17.32	15.81
Total of other expenses	**99.69**	**102.63**
1. Payment to Statutory Auditors as:		
Payment for Statutory Audit	0.30	0.20
Payment for Limited review	0.03	0.03
Payment for Other Services	0.03	0.16
	0.36	**0.39**
2. Corporate Social Responsibilities Expenses		
a) Gross amount required to be spent by the Company during the year INR 1.39 Cr (31 March,19 : 1.46 Cr) based on average net profit of last three years as per Section 198 of the Companies Act, 2013.		
b) Amount spent during the year in cash on purposes other than construction/acquisition of any asset is INR 1.45 Cr (31 March, 19 : 1.54 Cr) towards animal welfare, green belt development, village education and others.		
Note 28		
Statement of other comprehensive income		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	(0.35)	(0.12)
	(0.35)	(0.12)

INR in crores

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
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 company		
Profit attributable to equity holders (INR in crores)	65.35	52.60
Weighted average number of equity shares used for computing EPS (Basic)	251,000,000	251,000,000
Weighted average number of equity shares used for computing EPS (Diluted)	251,000,000	251,000,000
Earnings per share (Basic) - INR	**2.60**	**2.10**
Earnings per share (Diluted) - INR	**2.60**	**2.10**

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.

Cash and other bank balances

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

Trade receivables

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

iii. Liquidity risk

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

Exposure to liquidity risk

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

INR in crores

		Contractual cash flows				
31 March, 2020	**Carrying amount**	**Total**	**Less than 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial liabilities						
Borrowings (Refer note – 12)	1,138.78	1,138.78	256.81	207.24	387.62	287.11
Trade payables (Refer note – 15)	132.97	132.97	132.97	0.00	0.00	0.00
Others (Refer note - 13 and 16)*	309.27	309.27	252.45	1.18	46.78	8.86

* Including of Rs 117.11 cr on current maturity of long term borrowings

INR in crores

		Contractual cash flows				
31 March, 2019	**Carrying amount**	**Total**	**Less than 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial liabilities						
Borrowings (Refer note – 12)	713.88	713.88	190.95	130.35	371.61	20.98
Trade payables (Refer note – 15)	193.04	193.04	193.04	0.00	0.00	0.00
Others (Refer note - 13 and 16)*	154.09	154.09	122.67	0.00	31.42	0.00

* Including of Rs 57.19 cr on current maturity of long term borrowings

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to 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 **INR in crores**

Purpose	Currency	Cross Currency	March 31, 2020	March 31, 2019
LC – Imports	USD	INR	-	48.69
LC – Imports	EURO	INR	-	67.48

Exposure to currency risk

The currency profile in INR of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

	March 31, 2020 INR	March 31, 2020 USD	March 31, 2020 EURO	March 31, 2020 GBP
Financial assets				
Trade receivables (Refer note - 6)	37.41	1.97	-	-
Cash and cash equivalents (Refer note – 7)	2.28	-	-	-
Bank balances other than Cash and Cash Equivalent (Refer note – 8)	51.64	-	-	-
	91.34	**1.97**	**-**	**-**
Financial liabilities				
Borrowings (Refer note – 12)	1,124.72	14.06	-	-
Trade payables (Refer note – 15)	132.69	0.28	-	-
Others (Refer note - 13 & 16)*	303.65	5.62	-	-
	1,561.06	**19.96**	**-**	**-**

* Including of Rs 117.11 cr on current maturity of long term borrowings

	March 31, 2019 INR	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)	695.80	18.08	-	-
Trade payables (Refer note – 15)	183.31	9.73	-	-
Others (Refer note - 13 & 16)*	148.93	5.16	-	-
	1,028.04	**32.97**	**-**	**-**

* Including of Rs 57.19 cr on current maturity of long term borrowings

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

INR	Year end spot rate	
	March 31, 2020	March 31, 2019
USD 1	75.33	69.17
EUR1	83.10	77.70

INR	Average rate	
	March 31, 2020	March 31, 2019
USD 1	71.87	69.89
EUR1	86.03	80.93

Sensitivity analysis

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

Effect in INR of 10% movement	INR
March 31, 2020	
Strengthening	(1.80)
Weakening	1.80

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

vi. Interest rate risk

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

vii. Exposure to interest rate risk

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

INR in crores

	Amount	
	31 March, 2020	31 March, 2019
Fixed-rate instruments		
Floating rate borrowings	952.67	452.57
Fixed rate borrowings	303.22	318.50
	1,255.89	**771.07**

VIII . Interest rate sensitivity The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets effected.

Change in interest rate of 0.50 %	INR
March 31, 2020	
Increase in rate	(0.39)
Decrease in rate	0.39

Change in interest rate of 0.50 %	INR
March 31, 2019	
Increase in rate	(0.29)
Decrease in rate	0.29

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 long term debt to equity ratio at March 31, 2020 was as follows.

INR in crores

	As at	
	31 March, 2020	**31 March, 2019**
Total long term debt	997.33	578.37
Less : Cash and cash equivalents	2.28	0.45
Adjusted net long term debt	995.05	577.92
Total equity	1,715.36	1,650.36
Adjusted net long term debt to adjusted equity ratio	0.58	0.35

Note - 32 Contingent Liabilities

The claims against the company not acknowledged as debt amount to INR 102.23 Cr. (31 March 2019 : INR 107.03 Cr.) and interest and penalty thereon as may be decided at the time of disposal of the claim. Against above, the Company has deposited a sum of INR 43.21 Cr. (31 March 2019 : INR 43.61 Cr.) with respective authorities as deposit.

INR in crores

Particulars	31 March, 2020	31 March, 2019
Excise & Service Tax	55.09	59.74
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	2.12	2.27
Total	**102.23**	**107.03**

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 185.93 Cr. Net of advances (31 March 2019 is INR 561.24 Cr. Net of advances).

Bank Guarantee outstanding Rs 11.38 cr (31 March 2019 Rs 12.94 Cr) and Margin against Bank Guarantee Rs 10.92 Cr (31 March 2019 Rs 11.31 Cr)

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, 2020	885.07	2,816.07
31 March, 2019	1,069.21	2,231.34
Outside India		
31 March, 2020	14.94	0.00
31 March, 2019	19.02	0.00
Total		
31 March, 2020	900.01	2,816.07
31 March, 2019	1,088.23	2,231.34

Domestic revenue includes INR 0.31 Cr. self consumption (31 March 2019 : INR 0.38 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 2020, 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**(*)**
Mrs. Bina Engineer	-	Whole Time Director and Chief Financial Officer
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. Balasubramarian	-	Non Executive Director
Ms. Raina Desai	-	Non Executive Director "w.e.f.05.02.2020"
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 :

INR in crores

Particulars	For the year ended	For the period ended
	31 March, 2020	31 March, 2019
Remuneration	6.11	7.82
Sitting Fees	0.05	0.06
Total compensation	**6.16**	**7.88**

The Directors have foregone commission for the Financial Year 2019-20 and further Promoter Director (*) have foregone remuneration for the month of March'20 in view of COVID 19 pandemic .Remuneration includes commission to key managerial persons INR NIL Crore (31 March 2019 : INR 1.35 Crore).

Note 35 Operating lease

The company has taken certain assets on operating lease which are cancellable. During the year company has paid INR 3.74 Cr (FY 18-19 INR 3.01 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

i. Gratuity

ii. 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.

INR in crores

Description	Gratuity		Leave encashment	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
1. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	5.98	5.46	1.94	1.86
b. Current Service Cost	0.64	0.57	0.38	0.33
c. Past Service cost				
d. Interest Cost	0.47	0.43	0.15	0.14
e. Actuarial (Gain)/Loss	0.35	0.12	0.20	(0.03)
f. Benefits Paid	(0.92)	(0.60)	(0.54)	(0.36)
g. Obligation as at the end of the year	6.52	5.98	2.13	1.94
2. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	0.00	0.00	0.00	0.00
b. Present Value of Obligation as at the end of the year	6.52	5.98	2.13	1.94
c. Amount recognised in the Balance Sheet	(6.52)	(5.98)	(2.13)	(1.94)
3. Expense recognised during the year in Statement of Profit & Loss				
a. Current Service Cost	0.64	0.57	0.38	0.33
b. Acturial (gain)/loss	0.00	0.00	0.20	(0.03)
c. Interest Cost	0.47	0.43	0.15	0.14
d. Expense recognised during the year	1.11	1.00	0.73	0.44
4. Expense recognised during the year in OCI				
a. Actuarial (Gain)/Loss	0.35	0.12	0.00	0.00
5. Actuarial Assumptions				
a. Discount Rate (per annum)	6.83%	7.79%	6.83%	7.79%
b. Salary escalation	3.00%	4.00%	3.00%	4.00%
c. Mortality Rate Indian Assured Lives Mortality (Mortality 2006-2008 ult)	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.

INR in crores

Particulars	31 March, 2020	
	Increase	Decrease
	Gratuity	Gratuity
Discount rate (1% movement)	(0.36)	0.40
Salary growth rate (1% movement)	0.37	(0.33)

INR 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)

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

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

(i) Bifurcation of toal revenue from contracts with customer as per Ind As 115 is given below:

Revenue from contracts with customers INR 887.42 Cr

- Recognised from contract liability of the previous year INR 11.37 Cr

-contract liability outstanding as at year end INR 16.75 Cr

- Recognised from the performance obligation satisifed in current year INR 9.57 Cr

- Recognised from the contracts entered in current year INR 883.23 Cr

(ii) Performance Obligation pending at year end for which revenue is to be recognised in next financial year is INR 6.74 Cr

(iii) The company clasify the right to receive consideration as trade receivables.

(iv) Sale of goods to customers are made at fixed rate.

Note 39

Research and Development Cost

During the year company has incurred INR 1.21 Cr towards Research and Development.

Capital Expenditure INR NIL (Previous Year INR NIL)

Recurring Expenditure INR 1.21 Cr (Previous Year INR 1.16 Cr)

Note 40 Dues to Micro and Small Enterprises

The company has certain dues to suppliers registered under Micro,Small and Medium Enterprises Development Act 2006 (MSME Act). The information as per requirement of Section 22 of The Micro,Small and Medium Enterprises Development Act 2006 as below

INR in crores

Particulars	31 March, 2020	31 March, 2019
Principal amount due to supplier under the MSMED Act and remaining unpaid as at year end.	0.06	0.08
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act , beyond the appointed day during the year	-	-
Interest paid , other than under Section 16 of MSMED Act , to suppliers registered under the MSMED Act,beyond the appointed day during the year	-	-
Interest paid under Section 16 of MSMED Act , to suppliers registered under the MSMED Act,beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act,for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

There is no principal and interest overdue to Micro and Small enterprises. During the year no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 41. Disclosure as per Ind AS 116 'Leases'

(A) Transition to Ind AS 116

(a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. Accordingly, the comparatives as at and for the year ended 31 March 2019 have not been restated. On the date of initial application, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application and a corresponding right-of-use asset adjusted for the amount of prepaid or accrued payments on the lease.

(b) The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs, if any, from the measurement of the right-of-use asset at the date of initial application.

(iv) Elected to use the practical expedient not to apply this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

(v) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(c) On transition to Ind AS 116, the Company has recognised lease liabilities and equivalent amount of right-of-use assets amounting to Rs 13.53 Cr .

(d) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 is 12% .

(e) The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

INR in crores

Particulars	Amount
Operating lease commitments as at 31 March 2019 (future minimum lease payments in respect of non-cancellable leases)	34.18
Less: Effect of discounting on above	20.65
Discounted recognised lease liabilities as at 1 April 2019	13.53
Discounted recognised lease liabilities as at 1 April 2019 (Pertaining to cancellable leases commitments as on 31 March 2019)	-
Total lease liabilities recognised as at 1 April 2019	13.53

(B) Company as Lessee

(i) The following are the carrying amounts of lease liabilities recognised and the movements during the period:

Particulars	For the Year ended 31 March 2020
Opening Balance	13.53
- Additions in lease liabilities	
- Interest cost during the year	1.57
- Payment of lease liabilities	2.52
Closing Balance	12.58
Current	1.05
Non Current	11.53

(ii) Maturity Analysis of the lease liabilities:

Contractual undiscounted cash flows	As at 31 March 2020
3 months or less	0.64
3-12 Months	1.87
1-2 Years	2.49
2-5 Years	4.86
More than 5 Years	21.8
Lease liabilities as at 31 March 2020	31.66

(iii) The following are the amounts recognised in profit or loss:

Particulars	For the Year ended 31 March 2020
Depreciation expense for right-of-use assets	1.50
Interest expense on lease liabilities	1.57
Expense relating to short-term leases	3.74

(iv) The following are the amounts disclosed in the cash flow statement:

Particulars	For 31st March 2020
Cash Outflow from leases	2.52

Note 42- Reconciliation of tax expenses and effective tax rate

	2019-20		2018 -19	
	in crore	In %	in crore	In %
Profit before tax	65.35		52.60	
Income Tax expenses at statutory income tax rate	22.83	34.94%	18.38	34.94%
Effect of Tax exempt Income	-	0.00%	-	0.00%
Effect on deferred tax asset/liability	-	0.00%	-	0.00%
Effect of Unabsorbed Depreciation and Others	-22.83	34.94%	-18.38	34.94%
Income Tax expenses recognized in statement of profit and loss	-	0.00%	-	0.00%
Tax expenses at the Effective income tax rate	-	0.00%	-	0.00%

Note 43 : COVID 19

The outbreak of COVID 19 pandemic globally and in India has caused significant disturbance and slowdown of economic activity. Company has made an initial assessment of the likely adverse impact of the same on the business and financial risks. Management as at the date of approval of these financial results, expects to recover the carrying amount of all its assets including inventories, property, plant & equipment, trade receivables in the ordinary course of business as at balance sheet date and has conclude that that there is no material adjustments required in the financial statements.

Management believes that its impact is likely to be short term in nature and does not anticipate any medium to long term risk in the Company's ability to continue as Going Concern and meeting its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process considering uncertainties involved therein, therefore, the company continues to monitor changes in future economic & business conditions.

Note 44

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Bill, 2019, the company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not opted for this option after evaluating the same and continues to recognize the taxes on income as per the earlier provisions..

Note 45 – 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 : Mumbai

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

Rohit Mehta
Partner
M. No. 091382
Place : New Delhi

Place : Ahmedabad
Date : 24th June, 2020

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
Raina Desai	- Independent Director
Anil Agrawal	- Company Secretary

NOTES



Turning Dreams into ***Concrete Reality***

Sanghi Industries Limited

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