

22nd August, 2023

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
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Dear Sir,

Sub :Annual Report of the Company for the F Y 2022-23.

Pursuant to Regulation 34(1) read with Regulation 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23 along with Notice of the Thirty Sixth Annual General Meeting of the Company scheduled to be held on Thursday, 14th September, 2023 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means. The aforesaid Annual Report is also available on the website of the company at www.sanghiment.com.

Kindly take the above on your records.

Thanking you,

Yours faithfully,

For **Sanghi Industries Ltd**

Anil Agrawal

Company Secretary

Encl: As above

Sanghi Industries Limited

CIN : L18209TG1985PLC005581

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

Tel.: 08415-242240 E mail: companysecretary@sanghiment.com

Website : www.sanghiment.com

SANGHI INDUSTRIES LIMITED

CIN No.: L18209TG1985PLC005581

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

Tel. 08415-242240, Email : companysecretary@sanghiment.com

Website: www.sanghiment.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of M/s. Sanghi Industries Limited will be held on Thursday, the 14th day of September, 2023 at 11.00 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, 2023, 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 Smt. Bina Engineer (holding DIN: 01653392), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:

3. 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 payment of existing remuneration to Shri Ravi Sanghi (DIN: 00033594), Chairman and Managing Director of the Company with effect from 1st September, 2023, 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 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 Executive Director or 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.

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 such other approvals as are necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Nirubha B. Gohil (DIN: 05149953) as a Whole Time Director (Executive Director) of the Company with effect from 22nd December, 2023 for a period of three years on the terms and conditions including remuneration payable to him 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 B. Gohil, as minimum remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee of the Board be and are hereby authorized to revise from time to time during the tenure of the appointment of Shri Nirubha B. 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 any Executive Director or the Company Secretary be and is 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.

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

“RESOLVED THAT pursuant to the provisions of Sections 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the provisions of Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021, as amended, and subject to such other requisite approvals, if any, as may be required, consent of the Company be and is hereby accorded to amend the Articles of Association of the Company by addition of the following new Article 81A providing for appointment of a person nominated by the debenture trustee(s) as a director on its Board:

81A. Nomination of Director by Debenture holders / Debenture Trustees:

The Board of Directors of the Company shall appoint a person nominated by the Debenture Holders / Debenture Trustee(s) as a Director on Board of the Company at the earliest from the date of receipt of nomination from the Debenture Holders / Debenture Trustee(s) when the events specified either in Clause (e) of sub-regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 or in the agreements / Deed / documents executed from time to time between the Company and Debenture holder / Debenture Trustee take place or occurs.

The Nominee Director appointed as such shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Executive Director or the Company Secretary be and is 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 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. 3,00,000 (Rupees Three lakhs 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 2023-24.

RESOLVED FURTHER THAT any Executive Director or the 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 : 17th May, 2023

Anil Agrawal
Company Secretary

Notes:

- (1) The Ministry of Corporate Affairs ('MCA') has vide its circular dated 28.12.2022 extended the period allowing the Companies to hold its Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') without personal presence of the members at the meeting till 30th September, 2023. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In view of the same and in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and various MCA Circular issued from time to time, this AGM of the Company is being held through VC / OAVM.
 - (2) Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
 - (3) Since this AGM is being held 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. However, Corporate members intending to authorise their representatives to join and vote at the AGM through VC / OAVM facility on its behalf are requested to send the duly certified copy of Board resolution for the same.
 - (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 are 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@sanghiment.com. The Notice of Annual General Meeting is available on website of the Company www.sanghiment.com and also available on website of National Stock Exchange of India Limited and BSE Limited. The notice of Annual General Meeting is being also disseminated on the website of CDSL i.e. www.evotingindia.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 pertaining to their changes in name, postal address, email address, phone number, Permanent Account Number (PAN), mandates, nominee, bank details, power of attorney etc. 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@sanghiment.com
 - (9) The members can join this meeting through VC / OAVM means 15 minutes before and 15 minutes after the scheduled time of commencement of meeting by following the procedure mentioned in the Notice. 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 various Circulars issued by MCA from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 36th 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 during 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. 7th September, 2023 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 during AGM, in a fair and transparent manner.

(11) The instructions for shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:

1. The remote E- voting period commences at 10.00 a.m. on 11th September, 2023 and ends at 5.00 p.m. on 13th September, 2023 (both days inclusive). During this period the shareholders of the Company holds shares as on the cut-off date (record date) of 7th September, 2023 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. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on e-Voting facility provided by Listed Companies Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

a) Individual Shareholders holding securities in Demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

b) Individual Shareholders holding securities in Demat mode with NSDL

1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS “Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

c) Individual Shareholders (holding securities in Demat mode) login through their Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Note: Members who are unable to retrieve their User ID/Password are advised to use Forget User ID and Forget Password option available at the above mentioned website.

d) Shareholders other than individual shareholders should log on to the e-voting website www.evotingindia.com

1. Click on Shareholders.
2. 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,
3. Next enter the Image Verification as displayed and Click on Login.
4. 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.
5. If you are a first-time user, please enter your PAN Number and Dividend Bank Details or Date of Birth.
6. After entering these details appropriately, click on “SUBMIT” tab.
7. 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.

8. Click on the EVSN of Sanghi Industries Limited for which you choose to vote.
9. 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.
10. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
11. 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.
12. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
13. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
14. 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.
15. Facility for Non-Individual Shareholders and Custodians – Remote Voting:
 - 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 in the “Corporate” module.
 - 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. The said resolution can also be sent to Scrutinizer by e mail at sangaisri@yahoo.com with a copy marked to helpdesk.evoting@cdslindia.com.
 - Alternatively Non individual shareholders 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@sanghiment.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 attending the AGM through VC/OAVM & Evoting during AGM are as under:

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 2. The link for VC / OAVM to attend the meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
 3. Members who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
 4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
 5. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. 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.
 7. Members who would like to ask questions may send their questions in advance at least (10) working days before AGM mentioning their name, demat account number / folio number, email id, mobile number at companysecretary@sanghiment.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.
 8. Only those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and otherwise not barred from doing so shall be eligible to vote through e- voting system available in the AGM.
 9. 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.
- 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.sanghiment.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) 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@sanghiment.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. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., with their DPs in case the shares are held in electronic form.

- (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	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Membership/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
Smt. Bina Engineer DIN: 01653392	13 th April, 1967	27 th January, 2007	B. Com, Chartered Accountant having rich and varied experience of more than three decades in the areas of Project and Corporate finances. She has successfully arranged the project funds, take out finance, working capital requirements etc. She is responsible for the Corporate and Project Finance affairs of the Company	25,000 (0.01% of Equity shares of the Company)	Nil	Nil	None	Nil
Shri Ravi Sanghi DIN: 00033594	1 st July 1952	14 th June 1985	Graduate in Commerce. He 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 (19.30% Equity Shares of the Company)	Nil	Nil	He is father of Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors of the Company	Nil

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience	Share-holding in the Company	Details of Directorship held in other listed Companies	*Details of Membership/ Chairmanship of other Board Committees	Details of relationship Inter-se	Listed entity from which the person has resigned during Past three year
Nirubha Balubha Gohil DIN: 05149953	16 th June, 1950	22 nd December, 2011	Diploma in Mechanical Engineering. He is having rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants and specializes in Pollution Control Norms, Factory Regulations and other administrative matters.	Nil	Nil	Nil	None	Nil

* Only Audit and Stakeholders Committee of other Public Limited and Listed Companies are considered here.

CONTACT DETAILS:

Company	Sanghi Industries Ltd. E-mail ID: companysecretary@sanghiment.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

Shri Ravi Sanghi, Chairman and Managing Director of the Company is the 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 his tenure as Chairman and Managing Director, he has continuously contributed to a great extent in the growth of the Company.

Shri Ravi Sanghi was re-appointed as a Chairman and Managing Director of the Company for a period of five years w.e.f. 1st September, 2020. In compliance of Schedule V of the Companies Act, 2013 the term of payment of remuneration was approved for the term of 3 years i.e. till 31st August, 2023.

Looking to the above requirement of payment of remuneration for a period not exceeding three years, which was approved by members at their Annual General Meeting held on 21st August, 2020, now it would be necessary to get the approval of members for payment of remuneration to him for his remaining tenure of appointment. The Board of Directors has considered it appropriate and advisable to affirm payment of his existing remuneration with effect from 1st September, 2023 for his remaining tenure. The Audit Committee has approved and Nomination and Remuneration Committee have recommended to continue the payment of existing remuneration to him. The terms and conditions of his remuneration are as under:

- A. Salary: Rs. 1.875 Crore (Rupees One Crore Eighty Seven Lakhs 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.

In the event of any loss, absence or inadequacy of profits of the Company, the Company shall pay remuneration to Shri Ravi Sanghi minimum remuneration as mentioned above, if the conditions mentioned in Schedule V are fulfilled.

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 the Chairman and Managing Director requires approval of the shareholders in the General Meeting by way of Special Resolution.

The Board of Directors is of the view that the services of Shri Ravi Sanghi is of immense value to the Company. Your Directors, therefore, recommend passing of the proposed resolution seeking approval to continue to pay the existing remuneration as mentioned above to Shri Ravi Sanghi, Chairman and Managing Director of the Company as a Special Resolution.

Except Shri Ravi Sanghi, being an appointee, Shri Aditya 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 Crore)

Particulars	Year ended (Audited) 31.03.2023	Year ended (Audited) 31.03.2022
Total Income	947.81	1140.52
Operating Profit	(232.32)	120.92
Profit Before Tax	(325.70)	56.75
Profit After Tax	(325.70)	40.62
Total Comprehensive Income	(325.10)	40.49

5. There was export earnings amounting to Rs. 57.13 lacs and outgo was Rs. 6,463.29 lacs including Rs 752.74 lacs towards Capital Expenditure during the financial year 2022-23.
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 Lakhs per month plus perquisites and benefits during the financial year 2022-23.
3. Recognition and awards: The Company has received several recognitions 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 plants successfully. His experience and knowledge have helped the Company to a great extent.
5. Remuneration proposed: As per details give above.
Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by him the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in peer companies.
6. He has no other pecuniary transactions directly or indirectly in the company except to the extent of his shareholding in the Company and other transactions covered in notes to accounts.

III. Other information:

During the year ended 31st March 2023, the total revenue was Rs. 947.81 Crores against Rs. 1140.52 Crores in the previous year. Company reported a net loss before and after tax of Rs. 325.70 Crores for the year ended 31st March, 2023 as against a net profit after tax of Rs. 40.62 crores in the previous fiscal year. The Total Comprehensive Income for the year is Rs. (325.10) Crores against Rs. 40.49 Crores in previous year. The earnings per share (EPS) for 2022-23 stood at Rs. (12.88) as against EPS of Rs. 1.62 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.

Due to increase in cost of raw materials consumed, power and fuel, selling expenses and high finance cost etc. there is impact on Company's profitability and hence the Company has incurred loss during the financial year 2022-23. However, the Company is very positive about its future potential in the Industry and the continuous and untiring efforts of the Company 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 in Manufacturing process.

IV. Disclosures:

1. **Salary, commission and perquisites** : As mentioned above.
2. **Notice period:** The agreements may be terminated by either party giving the other party six months' notice in writing of such termination.
3. **Stock option:** The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 4

Shri Nirubha Gohil is a Whole Time Director of the Company and his tenure as a Whole Time Director will expire / complete on 21st December, 2023.

Diploma in Mechanical Engineering. He is having rich industrial experience of about four decades in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants and specializes in Pollution Control Norms, Factory Regulations and other administrative matters.

During his tenure as a Whole Time Director of the Company he has immensely contributed in the growth of the Company. Considering his expertise, knowledge, skill and taking into account other several aspects and on the recommendations of Nomination and remuneration committee, the Board of Directors of the Company have at their meeting held on 17th May, 2023, re-appointed him as a Whole Time Director of the Company for a further period of three years w.e.f. 22nd December, 2023 on the terms and conditions and remuneration as mentioned below which is subject to the approval of the members:

- A. **Salary:** Rs. 60 lakhs (Rupees Sixty lakhs 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.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to Shri Nirubha Gohil as mentioned above as minimum remuneration if the conditions mentioned in Schedule V are fulfilled.

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 Gohil will be of immense value to the Company. Your Directors, therefore, recommend his re-appointment as a Whole Time Director of the Company and passing of the proposed Special Resolution.

Except Shri Nirubha 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 Crore)

Particulars	Year ended (Audited) 31.03.2023	Year ended (Audited) 31.03.2022
Total Income	947.81	1140.52
Operating Profit	(232.32)	120.92
Profit Before Tax	(325.70)	56.75
Profit After Tax	(325.70)	40.62
Total Comprehensive Income	(325.10)	40.49

5. There was export earnings amounting to Rs. 57.13 lacs and outgo was Rs. 6,463.29 lacs including Rs 752.74 lacs towards Capital Expenditure during the financial year 2022-23.
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 2022-23.
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.
Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by him the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in peer companies.
6. Besides the proposed remuneration and Shareholding, Shri Nirubha Gohil has no pecuniary relationship directly or indirectly with the Company.

III. Other information:

During the year ended 31st March 2023, the total revenue was Rs. 947.81 Crores against Rs. 1140.52 Crores in the previous year. Company reported a net loss before and after tax of Rs. 325.70 Crores for the year ended 31st March, 2023 as against a net profit after tax of Rs. 40.62 crores in the previous fiscal year. The Total Comprehensive Income for the year is Rs. (325.10) Crores against Rs. 40.49 Crores in previous year. The earnings per share (EPS) for 2022-23 stood at Rs. (12.88) as against EPS of Rs. 1.62 in previous financial year.

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Due to increase in cost of raw materials consumed, power and fuel, selling expenses and high finance cost etc there is impact on Company's profitability and hence the Company has incurred loss during the financial year 2022-23. However, the Company is very positive about its future potential in the Industry and the continuous and untiring efforts of the Company 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 Gohil for improvement and development of the Company.

IV. Disclosures:

1. Salary and perquisites: As mentioned above
2. Notice period: The agreements may be terminated by either party giving the other party six months' notice in writing of such termination.
3. Stock option: The Company has not formulated any scheme for giving stock options to its employees, Managing Director and Executive Directors.

Item No. 5

The Securities and Exchange Board of India has vide its circular dated 2nd February, 2023 issued the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023, carrying out certain amendments to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

The amendments, inter alia, provides that the Companies which proposes to list its Non-Convertible Securities or is having its existing Non-convertible Securities listed on Stock Exchange shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Director on its Board.

Further, the Companies, whose debt securities are listed as on the date of publication of the aforesaid circular, shall amend their Articles of Association to comply with above mentioned provision, on or before September 30, 2023.

As the Company's debt securities being listed on Wholesale Debt Market segment of BSE Limited, your Company will have to amend the Articles of Association in compliance with the above amendments by insertion of new Article 81A, providing for appointment of a person nominated by the debenture trustee(s)/debenture holder as a Director on its Board.

In terms of the provisions of Section 14 of the Companies Act, 2013, the alterations of articles require approval of the members by way of Special Resolution at the General Meeting. Accordingly, consent of the Members is sought to amend the existing Articles of Association.

A copy of the Article of Association together with the proposed alteration, is available for inspection at the registered office of the Company during the business hours on any working day upto the date of Annual General Meeting.

Your Directors recommend the passing of the proposed Special Resolution.

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

Item No. 6

The Board on recommendation of the Audit Committee has approved the appointment and payment remuneration to the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year 2023-24.

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 2023-24.

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.

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

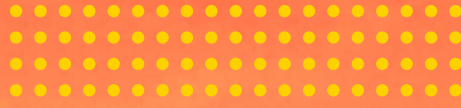
By Order of the Board
For **Sanghi Industries Limited**

Place: Ahmedabad
Date : 17th May, 2023

Anil Agrawal
Company Secretary



36TH ANNUAL REPORT 2022-23



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 S. Balasubramanian	Independent Director
Shri Arvind Agarwal	Independent Director
Shri G. M. Yadwadkar	Independent Director (w.e.f. 23.06.2022)
Shri Sudhir Nanavati	Independent Director (w.e.f. 23.06.2022)
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@sanghiment.com

Website : www.sanghiment.com

CIN : L18209TG1985PLC005581

DIRECTORS' REPORT

To
The Members of
Sanghi Industries Limited

Your Directors present herewith the 36th Annual Report together with the audited financial statements for the year ended 31st March, 2023.

Financial Performance:

(₹ in Crore)

Particulars	2022-23	2021-22
Total Income	947.81	1140.52
Profit before Interest, Depreciation and Taxation	5.85	202.88
Interest	238.17	81.96
Operating Profit	(232.32)	120.92
Depreciation	93.38	64.17
Profit Before Tax (PBT)	(325.70)	56.75
Current tax adjustments for earlier years	0.00	1.53
Deferred Tax (including Derecognition of earlier years MAT credit)	0.00	14.60
Profit After Tax (PAT)	(325.70)	40.62
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	0.60	(0.18)
Income tax related to items that will not be reclassified to profit or loss	0.00	0.05
Total Comprehensive Income	(325.10)	40.49

Dividend

In view of losses, your Directors do not recommend any dividend for the year under review.

Dividend Distribution Policy

Securities and Exchange Board of India ('SEBI') vide its notification dated 5th May, 2021, amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, making changes in Regulation 43A which requires the top 1000 listed companies (based on the market capitalization calculated as on 31st March of every year) to formulate a Dividend Distribution Policy and disclose the same on their websites and a web-link to be provided in the Annual Reports of the Company.

The Company falls under the list of top 1000 listed companies as per the market capitalization as on 31st March, 2023, the company has already formulated the Dividend Distribution Policy which is in due compliance of the requirements of amended Regulation 43A and it is uploaded on the Company's website at <https://www.sanghiment.com/policies/>

Operations and Performance of the Company

During the year ended 31st March, 2023, the total revenue was Rs. 947.81 Crores against Rs. 1140.52 Crores in the previous year. The Company has incurred a loss of Rs. 325.70 Crores against the Profit of Rs. 56.75 Crores in previous year. The Company incurred a net loss of Rs. 325.70 Crores against the profit after tax Rs. 40.62 Crores in previous year. The Total Comprehensive loss for the year is Rs. 325.10 Crores, against the total comprehensive profit of Rs. 40.49 Crores in previous year.

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

Non-Convertible Debentures (NCDs):

During the year under review, the Company has issued and allotted 5,000 Secured, Un- Rated, Un-Listed, Redeemable, Non- Convertible Debentures of face value of Rs. 10,00,000/- aggregating to Rs. 500 Crore having ISIN : INE999B07044 on 29.11.2022 to M/s. Kotak Special Situation Fund.

The Company has also made partial pre-payment of principal amount along with the redemption premium of its 3050 Listed, Rated Secured, Non-convertible Redeemable Debentures (NCD) of face value of Rs. 10,00,000/- on 29th November, 2022 and the outstanding amount of Non-convertible Debentures after the said partial pre-payment is Rs. 277.55 Crore. The said Non-convertible Debentures having ISIN INE999B07036 are listed and available for trading on BSE Limited.

As on 31.03.2023 the Company has outstanding Non Convertible Debentures of Rs. 777.55 Crore (Bifurcated into NCDs of Rs. 500 Crore Secured, Un- Rated, Un-Listed, Redeemable, Non- Convertible Debentures of face value of Rs. 10,00,000/- having ISIN INE999B07044 and Rs. 277.55 Crore Listed, Rated Secured, Non-convertible Redeemable Debentures (NCD) of face value of Rs. 10,00,000/- having ISIN INE999B07036).

Impact of COVID-19

The Company continues to follow necessary safety and hygiene protocols in compliance with the regulations of the local, state and central government authorities issued from time to time keeping in view the mutations observed in the nature of virus from time to time and its impact on the health of workers / employees of the Company.

Presently, in the current scenario, the management does not see any medium to long term risks to the Company from the Covid pandemic situation. As the world and India has already been back to normal, the impact from the pandemic on the business of the Company is minimal during the FY 2022-23.

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 2022-23.

Subsidiary Company

As at 31st March 2023, 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:

Retire by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed thereunder, Smt. Bina Engineer (holding DIN: 01653392) Whole Time Director of the Company retires by rotation at the forthcoming Annual General Meeting and she being eligible, offers herself for re-appointment.

Re-appointment of Whole Time Directors:

Shri N. B. Gohil (holding DIN:05149953), has been re-appointed as Whole Time Director of the Company for a period of three years with effect from 22nd December, 2023 subject to approval of the Members at the ensuing Annual General Meeting. The resolution proposing his re-appointment is set out in the notice convening the Annual General Meeting for the approval of members.

The Board recommends appointment of directors as mentioned above.

Affirmation of payment of existing remuneration to Chairman and Managing Director:

Pursuant to the provisions of Section 196, 197 and Schedule V of the Companies Act, 2013 read with Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as amended from time to time, the Board of Directors have approved to continue to make the payment of remuneration as per the existing terms to Shri Ravi Sanghi (holding DIN: 00033594) till the remaining tenure of his appointment which is subject to the approval of members at the ensuing Annual General Meeting. The resolution proposing the affirmation for payment of existing remuneration is set out in the notice convening the Annual General Meeting for the approval of members.

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 under review.

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, 2023 and of the loss 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, 2023 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 Eight (8) 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 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 <https://www.sanghiment.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 40th 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 2022-23 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

Your company is maintaining the cost records as prescribed by Central Government under Section 148(1) of the Companies Act, 2013.

The Company has appointed M/s. N D Birla & Co., Cost Accountants, Ahmedabad, as cost auditors of the Company for conducting audit of cost accounting records for the year 2022-23. Necessary resolution will be placed at ensuing Annual General Meeting for getting approval of the members for ratification of payment of remuneration to Cost Auditors for Financial Year 2023-24. The Audit report on the cost records of the Company for the year ended 31st March, 2023 will be submitted to the Central Government in due course. The Audit report on the cost records of the Company for the year ended 31st March, 2022 has been submitted to the Central Government with in prescribed time limit.

Audit Committee

The Audit Committee of the Company as on 31st March, 2023 consists of following Directors as its members:

1.	Shri Arvind Agarwal	-	Chairman
2.	Shri G M Yadwadkar	-	Member
3.	Shri Sudhir Nanavati	-	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 and Arrangements with Related Parties

All related party transactions that were entered into during the financial year 2022-23 were on arm's length basis. The Company has not entered into transactions 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 38 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. <https://www.sanghiment.com/policies/>

Particulars of Employees

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

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

Corporate Social Responsibility

At Sanghi Industries Limited (SIL), the Corporate Social Responsibility (CSR) has been an integral part of our business since inception. 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

- a) Creating green revolution in the desert of Kutch region by cultivating land for growing trees, fruits, vegetables and flowers.
- b) Providing educational facilities through a CBSE affiliated School.
- c) Providing hospitals and first aid facilities within few hundred kilometers.
- d) Conducting social awareness programmes on various issues.
- e) 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 <https://www.sanghiment.com/policies/> The requisite details on CSR Activities pursuant to Section 135 of the Companies Act, 2013 and rules framed thereunder are annexed as **Annexure – V** to this report.

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

Business Responsibility and sustainability Report

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 and Sustainability 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, 2023, it is applicable to your company. The Business Responsibility and Sustainability Report of the Company for the year ended 31st March, 2023 is annexed to this report as **Annexure – VI**.

Annual Return

The Annual Return as required under the provisions of Section 92 (3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014 is available on the website of the Company at <https://www.sanghiment.com/investors/>.

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: <https://www.sanghiment.com/investors/>

Listing

The Company's equity shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company's 3050 Listed, Rated Secured, Redeemable Non Convertible Debentures (NCDs) of face value of Rs. 10,00,000/- 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 2023-24 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 equipment 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 provided Clinker storage and state of the art loading system. The mining activities are being carried out by eco-friendly surface miner. The company is committed for CO2 emissions abatement and implemented series of project for the same.

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

- Enhancement in alternative fuel & raw material in manufacturing process.
- Renovation of air pollution control systems like bag house and ESP.
- Real time monitoring of emission data through online continuous emission monitoring system.
- Enhancement of composite cement mix to enhance ash and slag utilization.
- Regular carbon footprint analysis for green house gas emission reduction.
- Massive plantation in the entire complex.
- Internal Water audit has been carried out for optimization of water consumption in all the units & increased the efficiency of cooling tower.
- Internal Energy audit has been carried out for the optimization of plant process, energy conservation & enhancing the efficiency of compressors, blowers etc.

Conservation of Energy, Technology Absorption

(a)	Conservation of energy	
(i)	the steps taken or impact on conservation of energy;	<ul style="list-style-type: none"> • All Locations Process optimization in Clinker and Cement plant • All Locations Optimization of compressors by arresting air leakages • All Locations Optimization of compressors by adjusting the load & unload pressure. • All Locations Optimization of fuel fineness, excess air & false air ingress and flow in Clinker plant. • All Locations Installation of LED lights in place of conventional lights. • All Locations To avoid the idle running of transport equipment like belt conveyors etc. • All Locations Proper utilization of LT VVFD drives (Variable voltage variable frequency drives) to save maximum energy. • CU-1 Coal mill-2 feed chute modification done to reduce reject, increase TPH & save power • CU-1 Installation of occupancy sensors in offices & electrical sub-stations for ON-OFF of power supply • CU-1 Raw Coal Feeder replaced by modified rotary air lock to increase coal mill efficiency & reduce power • CU-1 Installation of rotary air lock at firing screw discharge for improve coal firing efficiency. • CU-1 Proper utilization of HT motor SPRS system of process fans to save maximum energy. • CU-1 Efficiency improvement in WHRS by modification of Alkali bypass Boiler circuit. • CU-2 Raw Mill Bag house running in DP mode to reduce air consumption & filter bag life enhanced. • CU-2 Pressure drop reduced across cooler fan inlet by removing inlet damper. • CU-2 Proper utilization of HT motor MV Drive system of process fans to save maximum energy. • GU Packing plant under rated motors power connection changed from delta to star to save power.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	<ul style="list-style-type: none"> • Provided advance feeding system for liquid alternative fuel system. • Obtained regular permission for co processing of different types of hazardous & non-hazardous waste in twenty categories under Hazardous & Other Waste (Management & Trans-boundary Movement) Rules. • Achieved 8% Thermal Substitution Rate (TSR) during the year.

		<ul style="list-style-type: none"> Replacement of traditional fuel i.e. coal with liquid & solid waste material generated from the chemical industries Utilization of Industrial waste such as Pond ash, Iron Sludge & Iron oxide as raw material in clinker manufacturing
(iii)	the capital investment on energy conservation equipment's	Rs. 862.38 Lacs
(b) Technology absorption		
(i)	The efforts made towards technology absorption;	<ul style="list-style-type: none"> The MIS Cell & Energy Steering Committee is working on energy accounting and conservation program by handling issues associated with it. The Company strives to implement latest technologies for energy efficiency, alternative resources & minimize adverse impact on environment. The regular energy audit is carried out by the third party to identify the area for improvement. Participation in National / International seminar
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, cost reduction, product development & import substitution
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	State of the art technology
	a) the details of technology imported;	NA
	b) the year of import;	NA
	c) whether the technology been fully absorbed;	NA
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NA
(c) Research and Development		
(i)	Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> QC Provision of Colour meter to check the actual colour of cement to enhance the satisfaction level of market customer. QC Provision of VCM (Vibrating cup meter) for making powder of sample of Raw materials & Clinker for X-Ray analysis. QC Conduct Slum test with different water ration to save the water consumption for making concrete.

		<ul style="list-style-type: none"> • QC Procurement of auto Blaine apparatus to check the specific surface & Blaine of cement. • QC Procurement of electronic balance to check the sample weight for further chemical analysis. • QC Procurement of Muffle furnace to maintain the temperature of Raw materials & Clinker from 900°C to 1100°C for further chemical analysis. • QC Installation of new Auto sampler in cooler DBC for proper collection of sample of clinker. • CU Clinker quality improvement by raw mix optimization. • CU Enhancement in TSR (Thermal Substitution Rate) by utilizing of liquid alternate fuel. • CU Reduction in specific clay consumption. • CU Improvement in clinker factor by adding high ash coal. • CU Development of rain water harvesting reservoir. • All Locations Reduction in specific water consumption. • CU-1 Cooler ESP all 03 fields conventional controller replaced with new version controller. • Mines Installation of earth leakage relay in MCC feeder to enhance the electrical safety. • Mines Installation of Lighting Transformers (Power supply mid point zero 110-0-110) in lighting system to enhance the electrical safety. • CU-2 Improvement in refractory lining practices by deploying two brick lining machine and achieved kiln lining work 18 mtrs/day. • CU-2 AFR system upgradation in Line-2 to increase the TSR. • CU-2 Raw mill Feeding Belt 332BC2 & BC3 Permanent Magnet Fixed to reduced frequently operation of Divertor and reduced mill stoppages • CU-2 Provision of Standby Pfister for kiln string firing. • CU-2 Earthing provided at all Flange of coal conveying lines to Prevent short circuit and fire in Coal mill area. • CU-2 FLS Site connect mobile application provided to respective employees of the plant section. • CU-2 CLT Belt Conveyor 512BC2 & BC3 replaced with Divertor chutes to avoid burning of belt due to temperature. • GU Enhance fly ash addition in PPC • GU Mineral Gypsum replaced by Chemical Gypsum after successful trails. • GU Conversion of weigh feeder DC motors to AC motors to ease maintenance & avoid breakdown • TPP-1 Replacement of sonic soot blowers with steam soot blowers to reduce APH chocking • TPP-1 Remnant life assessment of L1 boiler. Testing of all pressure parts of boiler for healthy and safe operation
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(iii)	Future Plan of Action	<ul style="list-style-type: none"> • CU-1 Installation of Turbo Blower in Kiln firing. • CU-1 Replacement of Pond Ash by using waste material of Iron Industries i.e. iron sludge & iron oxide in Raw Mix. • CU-1 Replacement of DC motor to AC motor at raw mill hopper. • CU-1 Reduction in transmission line losses by replacement of old phase conductor. • CU-1 Up-gradation of Cooler ESP to maintain dust emission norms. • CU-1 Up-gradation of Alkali ESP to maintain dust emission norms. • CU-1 Up-gradation of Bag house to maintain dust emission norms. • CU-1 Replacement of high efficiency fans in place of conventional fans for plant process fans. • CU-1 Conventional motors to be replaced with high efficiency motors • CU-2 Bag-house outlet expansion joint replacement to control false air. • CU-2 Replacement of tube sheet of coal mill bag house to reduce in bag house DP and reduction in power consumption of fan and mill. • CU-2 Nitrogen plant upgradation by use of compressed air and carbon molecules. • CU-2 Installation of metallic expansion joint in preheater down comer duct to reduce in false air ingress and reduction in power consumption of fan. • CU-2 Preheater 4th stages dip-tube placement to reduce Sp. Heat consumption. • CU-2 Kiln inlet sector plate replacement work to reduce spillage of material at kiln inlet • CU-2 Linking Clinker loading terminal (CLT) weighment with SAP through RFID. • GU Increase addition of fly ash in PPC production. • GU Reduction in clinker factor in PPC by 1%. • GU Up-gradation of clinker feeding circuit. • TPP – 01 Cooling tower structure replacement with FRP to improve the cooling efficiency and reduce the power consumption. • TPP – 01 HP Heater 1 Internal tube repair work to improve turbine efficiency and reduce the Plant heat rate. • TPP – 01 ESP collecting and emitting electrodes. Roof plate, both side plates, inlet, outlet ducts and hoppers replacement to meet GPCB emission norms as well as reduced the ID fan load. • TPP – 01 Boiler furnace PA air nozzle cap repair work to reduce PA flow and improve fluidization as well as better control the O2 level and improve the boiler efficiency.
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		<ul style="list-style-type: none"> • TPP – 01 Bed ash conveying pipe and bend with cast basalt repair work to avoid the dust emission. • TPP – 01 ACW pipe line replacement work to increase the ACW pump discharge pressure and increase the cooling efficiency. • TPP – 01 Provision of purging air line from PA discharge after APH for Boiler all Coal feeder RAV to Reduced the compressed air and power consumption • TPP – 01 Woodward Upgradation Job to better control of operation parameters and increase the performance. • TPP – 02 Boiler ID fan common suction duct bellow replacement to avoid the air ingress.
(iv)	Expenditure on R&D	The Company has incurred Rs. 58.67 Lacs towards R & D Expenditure charged to revenue in FY 2022-23

CU - Clinker unit, CU-1 - Clinker unit-1, CU-2 - Clinker unit-2, GU - Grinding unit, TPP - Thermal Power Plant

Foreign Exchange Earnings and Outgo

During the year under review, Foreign Exchange earnings was Rs 57.13 Lacs and outgo was Rs. 6463.29 lacs including Rs.752.74 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)

During the year under review, the Company has won the following prizes / awards / achievements:

Year	Name	Particulars	Prize	Name of Mines
2022-23	30th Mines Environment & Mineral Conservation Week	Systematic & Scientific Development	First Prize	Jadua Limestone Mine
2022-23	30th Mines Environment & Mineral Conservation Week	Environmental Monitoring	Second Prize	Jadua Limestone Mine

Mines Safety Week Award distribution function is still not conducted.

Five Star Rating Award

The Company's Jadua Limestone Mines has been awarded again "Five Star Rating Award" on 6th National Conclave on Mines & Minerals organized on 12th July 2022 as a part of Azadi Ka Amrit Mahotsav at Dr. Ambedkar International Center, New Delhi. This is being awarded by Ministry of Mines for Sustainability. This award has been felicitated by Hon'ble Union Minister of Mines, Coal & Parliamentary Affairs.

Top Performer Designated Consumer for the Cement Sector of PAT Cycle II

The Ministry of Power has given thrust to energy conservation, and to achieve energy conservation in various sectors in the country, the Bureau of Energy Efficiency, an organisation under the Ministry of Power working towards energy conservation, has introduced the PAT (Perform, Achieve, Trade) scheme.

The Company has made an outstanding contribution to energy conservation under PAT Cycle II in the cement sector and has achieved the highest energy savings of 109283 (toe).

The Company has been conferred with an award and a certificate of appreciation for Top Performer Designated Consumer for the Cement Sector of PAT Cycle II under the National Mission for Enhanced Energy Efficiency (NMEEE) by the Hon'ble Cabinet Minister (Power, New & Renewable Energy) Shri R. K. Singh on March 1, 2023, in New Delhi.

Disclosure for utilization of funds raised pursuant to the preferential allotment of Equity Shares:

During the year under review the Company has issued and allotted 73,26,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 68.25/- per share (including premium of Rs. 58.25/- per share) aggregating to Rs. 50 Crore on 30.12.2022 to the Promoter Group entity.

The details of the utilization of proceeds of the said issue as per Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time is as under:

Sr. No.	Original Object for utilization of proceeds of issue	Amount raised	Fund utilized till 31.03.2023	Amount of Deviation /variation according to the applicable object	Remarks (if any)
1.	The proceeds of the Preferential Issue shall be utilized for prepayment of borrowings of the Company, working capital requirement, capital expenditure and/or other general corporate purposes of the company.	Rs. 50 Crore	Rs. 49.48 Crore	Nil	The amount raised from the preferential issue have been utilized by the Company for the same objects for which it was raised and there is no deviation in the utilization of funds by the Company.

Industrial Relations

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

Appreciation / Acknowledgement

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

For and on behalf of the Board

Place : Ahmedabad
Date : 17th May, 2023

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 2023 ("FY-23"). 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 and other external sources)

On a yearly average, the Indian cement industry grew by 8.6% in FY-23 over FY-22, compared with 7.6% average growth of Eight Core Industries of India for the similar period.

Highlights on End-User Industries / Demand drivers

Real Estate

The key demand drivers of Real Estate industry are as below.

- Rapid urbanisation
 - Growth in population
 - Rise in the number of nuclear families
 - Easy availability of finance
 - Repatriation of NRIs and HNIs
 - Rise in disposable income
- > Under the housing for all segment, in 2023-24, the budget estimate for Pradhan Mantri Awas Yojana is US\$ 9.63 billion (Rs. 79,590 crore), a 66% rise than the last year's budget estimate of US\$ 6.43 billion (Rs 48,000 crore) in 2022-23.

Infrastructure

Infrastructure sector includes power, ports, bridges, highways, dams and road. Increase in infrastructure investment provides a critical push to the potential growth of the economy. The government, in recent years, provided an increased impetus for infrastructure development and investment through the enhancement of capital expenditure.

- > In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to Rs.10 lakh crore (US\$ 122 billion).
- > Fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity as per Union Budget 2023-24.
- > A scheme for financial support for project development expenses of PPP Projects – the 'India Infrastructure Project Development Fund Scheme' (IIPDF) – was notified by the Government on 3rd November 2022.

Roads including Highways

Road infrastructure in the form of a network of national highways, state highways, district roads, rural roads and urban roads acts as a major mode of transportation and connectivity for the country's diverse population of consumers and businesses. Roads supplement the other modes of transport through last-mile connectivity to the far-flung regions of the country.

- > The Government has decided to adopt bulk cement instead of bitumen for the construction of all new road projects on the grounds that cement is more durable and cheaper to maintain than bitumen in the long run.
- > As per the Union Budget 2023-24, the Government approved an outlay of US\$ 32.57 billion (Rs. 2.7 lakh crore) for the Ministry of Road Transport and Highways i.e., 30% higher as compared to the

budget estimate of US\$ 24.01 billion (Rs. 1.99 lakh crore). One hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified.

Road Connectivity Projects being implemented in coastal states under Sagarmala

State	Number of Projects	Kms	Cost (USD billion)
Gujarat	4	690	3
Maharashtra	14	2351	8.33
Kerala	21	220	0.69

- > National Highways Authority of India (NHAI) launched its InvIT in FY22 not only to facilitate monetisation of roads but also to attract foreign and domestic institutional investors to invest in the roads sector. So far, NHAI InvIT has raised more than Rs.10,200 crore from high quality foreign and Indian institutional investors (up to December 2022).

Achievements / Progress

- > Private Equity/Venture Capital investments in real estate and infrastructure witnessed a sharp growth of 27%, at US\$ 13.7 billion in December 2022 as compared to US\$ 10.7 billion in December 2021.
- > As of November 2022, more than 1.20 crore houses have been sanctioned, and more than 64 lakh houses are completed under the PMAY-Urban. As of August 2022, 2.5 crore houses have been sanctioned and 2.11 crore houses are completed under PMAY-Gramin.
- > As of 27 January 2023, work orders had been issued for 7,804 Smart Cities Mission projects valued at Rs 1,81,322 crore (US\$ 21.9 billion). Of these, 67.22% or 5,246 projects valued at Rs 98,796 crore (US\$ 12.02 billion) are complete and 32.77%, or 2,558 projects valued at Rs 82,526 (US\$ 10.04 billion), are to be completed.
- > The outlay (target) for capital expenditure in 2022-23 (BE) was increased sharply by 35.4 per cent from Rs. 5.5 lakh crore in the previous year (2021-22) to Rs. 7.5 lakh crore;
 - of which approximately Rs.5 lakh crore (67 per cent of Rs. 7.5 lakh crore) has been spent from April to December 2022.
 - this Rs. 5 lakh crore spending till from April to December 2022 is 28 per cent higher as against Rs.3.9 lakh crore for the same period in FY22 (i.e., till December 2021).
- > In FY23 (until October 2022), 4,060 km of NHs/roads were constructed, which was around 91 per cent of the achievement in the corresponding period of the previous financial year.
- > As of March 2022, Ministry of Road Transport and Highways has completed 1,41,190 km of National Highways out of the set target of 2,00,000 km for 2024-25. As on 30th November 2022, the total length of National Highways in the country was 1,44,634 km.

Performance of the Company

1. 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 International accreditations.

1. ISO 9001:2015 (Quality Management System Standard)
2. ISO 14001:2015 (Environmental Management System Standard)
3. ISO 45001:2018 (Occupational Health & Safety Management System)
4. ISO/ IEC 17025:2017 (NABL accreditation for Chemical and Mechanical Testing)

2. Sales

The Company's operations drastically suffered during FY-23, while it started from second half of FY22 when the coal prices started rising exponentially. The key interconnected factors attributed to the depressed performance of the Company are given below.

- Substantial increase in coal prices (almost 3 times) has adversely impacted Company's operations during FY22 and FY23.
- Since fuel had to be purchased on immediate payment basis due to inadequate LC limit (which has been resolved after repayment of fund based working capital limit and converting the same into non-fund limit), lower volume of coal had to be purchased thereby adversely affecting the production and resulting in lower sales volumes. This negatively impacted the Company in terms of lower sales collection, adding to its liquidity woes, which in turn affected its operational payments, thereby making the Company's operations a vicious circle.
- Considering the volume of coal availability and curtailed operations, Company used this time to complete the required maintenance, including annual shutdown.

The Company's gross sales reduced by 16% to Rs.1188.17 crore in FY-23 compared to Rs.1422.79 crore in FY-22. The gross average realization for the cement in the domestic market increase by 7% over similar periods.

Sales Volume

Product	FY-23 (lac mt)	FY-22 (lac mt)	Increase / (Decrease)
Cement	16.87	20.27	(16.8%)
Clinker	0.01	3.10	(99.7%)
Total	16.88	23.37	(27.8%)

Sales (Rs.Crore)

Product	FY-23	FY-22	Increase / (Decrease)
Cement Domestic	1187.59	1333.62	(11%)
Cement Export	-	1.87	(100%)
Clinker Domestic	0.48	21.26	(98%)
Clinker Export	-	63.52	(100%)
Other Adjustments	0.10	2.53	(96%)
Total Gross Sales	1188.17	1422.80	(16%)
Less : GST	263.68	300.10	(12%)
Net Sales	924.49	1122.70	(18%)

3. Costs

The major cost analysis for FY-23 over FY-22 is given below.

- The raw material cost per tonne of sales increased by 43% in FY-23 to Rs.373 compared to Rs.262 in FY-22.
- The substantial increase in fuel prices have adversely affected all fuel-dependent industries. The fuel cost per tonne of sale increased by 50% to Rs.1836 in FY-23 against Rs.1222 in FY-22. The power cost per tonne of sale increased by 81% to Rs.950 in FY-23 from Rs.526 in FY-22.

- The selling and distribution cost increased by 26% to Rs.1538 per tonne in FY-23 compared to Rs.1217 per tonne in FY-22. The average logistic cost for selling cement domestically increased by 15% to Rs.1449 per tonne in FY-23 from Rs.1260 in FY-22.

4. Profits and Margins

The Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of Rs.5.85 crore in FY-23 against Rs.202.88 crore in FY-22. The lower volumes caused by inadequate availability of coal resulted in drastic fall in profits of the Company.

The PBDIT margin to Net Income was 0.6% for FY-23 and 17.8% for FY-22.

The Company recorded a loss of Rs. 325.7 crore in FY-23 compared to profit before tax of Rs.56.75 crore in FY-22.

5. 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	
Interest Coverage FY-23 : -0.02 FY-22 : 2.27	This is on account of following factors. - substantial drop in operating profit mainly led by increase in fuel cost - Increase in finance cost due to increase in interest rates by lenders, additional borrowing and accrual for NCD premium
Debt Equity FY-23 : 0.98 FY-22 : 0.75	The debt equity ratio has depleted by 31% due to increase in debt and reduced equity caused by substantial loss for the Company.
Net Profit margin FY-23 : -35.08% FY-22 : 3.60%	Net profit margin has turned negative in FY-23, mainly led by substantial increase in fuel cost.
Debt Service Coverage FY-23 : -0.01 FY-22 : 1.44	This is due to substantial drop in profit as explained above and increase in debt service mainly driven by finance cost.

6. 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.

7. Human Resources

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

8. 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.

9. Risk and Concerns

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

- 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.

10. Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

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 and expertise. Shri Ravi Sanghi is the Chairman and Managing Director of the Company, who monitors 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, 2023 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 Group) Shri Alok Sanghi – Whole Time Director (Promoter Group) Smt. Bina Engineer – Whole Time Director Shri N. B. Gohil – Whole Time Director
II.	Non-Executive (Independent Directors)	Shri S. Balasubramanian Shri Arvind Agarwal *Shri G.M. Yadwadkar *Shri Sudhir Nanavati Ms. Raina Desai

* Appointed as Independent Directors w.e.f. 23.06.2022.

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 2022-23, eight (8) Board Meetings were held on 24th May, 2022, 9th August, 2022, 11th November, 2022, 14th November, 2022, 3rd December, 2022, 2nd January, 2023, 14th February, 2023 and 4th March, 2023.

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 allowed between the two Board Meetings.

The details of record of attendance of Directors at Board Meetings and last AGM and Directorship 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	8	8	Yes	1	-	-
Shri Aditya Sanghi	8	7	Yes	3	-	-
Shri Alok Sanghi	8	8	Yes	3	-	-
Smt. Bina Engineer	8	7	Yes	1	-	-
Shri N. B. Gohil	8	7	Yes	2	-	-
*Shri Sadashiv Sawrikar	1	1	NA	-	-	-
*Shri D. K. Kambale	1	1	NA	-	-	-
*Shri D. B. N. Rao	1	1	NA	-	-	-
Shri S. Balasubramanian	8	8	Yes	4	3	2
Shri Arvind Agarwal	8	8	Yes	2	2	-
\$Shri G M Yadwadkar	7	7	Yes	0	0	0
\$Shri Sudhir Nanavati	7	4	Yes	2	1	1
Ms. Raina Desai	8	7	Yes	1	-	-

* Ceased to be Independent Directors on account of completion of their second consecutive term as an Independent Director w.e.f. 23.06.2022.

\$ Appointed as Independent Directors w.e.f. 23.06.2022.

** 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.

Details of Directorship held by the Directors is as below :

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 S. Balasubramanian	4	1. Sanghi Industries Ltd.	Independent Director
		2. Emami Paper Mills Ltd.	Independent Director
		3. TTK Healthcare Ltd.	Independent Director
		4. Ucal Fuel Systems Ltd.	Independent Director
Shri Arvind Agarwal	1	Sanghi Industries Ltd.	Independent Director
* Shri G M Yadwadkar	1	Sanghi Industries Ltd.	Independent Director
* Shri Sudhir Nanavati	2	1. Sanghi Industries Ltd.	Independent Director
		2. The Sandesh Ltd.	Independent Director
Ms. Raina Desai	1	Sanghi Industries Ltd.	Independent Director

* Appointed as Independent Directors w.e.f. 23.06.2022

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

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 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: <https://www.sanghiment.com/investors/>

Shareholding of Non-Executive Directors as on 31st March, 2023 is as follows:

Name of Directors	Number of Equity Shares of Rs 10/- each of the Company
Shri S. Balasubramanian	NIL
Shri Arvind Agarwal	NIL
Shri G M Yadwadkar	NIL
Shri Sudhir Nanavati	NIL
Ms. Raina Desai	NIL

* Appointed as Independent Directors w.e.f. 23.06.2022

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

There were no instances of resignation of any Independent Director from the Board of the Company before the expiry of his / her tenure during the FY 2022-23.

During the year under review, Shri Sadashiv Sawrikar, Shri D K Kambale and Shri D B N Rao, ceased to be Independent Directors w.e.f. 23.06.2022 due to completion of their second consecutive term as Independent Directors.

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 the provisions of 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 Rs.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;
- Approval or any subsequent modification of transactions with related parties
- To review Management Discussion and Analysis and results of operations;
- To carry out any other function that relates to accounts and audit of the company.

II. Composition and Attendance:

During the year 2022-23, five (5) meetings of Audit Committee were held on 24th May, 2022, 9th August, 2022, 11th November, 2022, 14th November, 2022 and 14th February, 2023.

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 during the tenure
*Shri Sadashiv Sawrikar	Chairman	1	1
*Shri D. K. Kambale	Member	1	1
*Shri D B N Rao	Member	1	1
#Shri Arvind Agarwal	Chairman	4	4
^Shri G M Yadwadkar	Member	4	4
^Shri Sudhir Nanavati	Member	4	3

* Ceased to be Independent Directors w.e.f. 23.06.2022

Appointed as a Chairman w.e.f. 23.06.2022

^ Appointed as Independent Directors and members of the committee w.e.f. 23.06.2022.

The Chairman & Managing Director and Executive Director & 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 Audit Committee Meetings were held within maximum time allowed between the two committee meetings.

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 loans and facilities, negotiate and finalise the terms of same and to accept them on behalf of the company.
- To make application for new loans, 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 over all 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 various lenders and creditors with proposals to settle the outstanding dues etc., and to approve the execution of any type of payment arrangement with the consenting creditors etc.
- To make recommendations to the Board relating to the capital structure and issuance of securities etc., including the authority to approach Investors (Institutional/ Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary.
- To open 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 and operate the Banking accounts so opened and execute necessary documents to open and operate the bank accounts, subject to such ceiling as committee may in his discretion decide for the transactions to be entered into by such officials of the Company. Such Banks pursuant to the opening of the said accounts be and are hereby authorised to honour all cheques, bills of exchanges, promissory notes, hundies etc., drawn, accepted or made on behalf of the Company by the said committee or such other person to whom authority has been delegated pursuant to the resolution and to act on any instructions so given relating to the account whether the same be overdrawn or not or relating to the transactions of the Company.
- To close bank accounts opened with various banks which in the discretion of the said committee are not necessary and also to delegate authority to the officials of the Company to close the said Bank accounts as may be instructed by him.

- 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 fascimile, 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, 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 necessary 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 consider, monitor, review, approve various business plans, budgets, projections, policies, activities etc including the financial budgets, plans, projections, activities from time to time and to authorise any official of the Company for the said purpose;
- To appoint various internal / external monitoring agencies from time to time as per the requirement of the Company either to comply with the requirement of any third party or to appoint suo moto and to authorise any official of the Company for the said purpose.
- To undertake the following 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 instrument convertible into equity shares, or such other securities, by way of a public or private offering, including through a Qualified Institutions Placement (QIP), in one or more tranches (referred to as "Securities") :
- To determine the terms of issue including the class of investors to whom securities are to be issued, time, securities to be offered, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard.
- To allot such number of equity shares as may be required to be upon conversion of any QIP Securities as may be necessary in accordance with the terms of the offering, and all such shares shall rank pari passu with the then existing equity shares of the Company in all respect, as may be provided under the terms of the issue and in the offer document.
- To dispose of the QIP Securities to be issued and which are not subscribed in such

manner and on such terms and conditions as the Committee in its absolute discretion think fit in accordance with the provisions of law.

- To enter into underwriting, escrow collection, marketing, and institution / trustees / agents and similar agreements, and to remunerate the managers, advisors, underwriters and such other authorities and agencies as may be required for the completion of the issue, to finalize, settle execute, issue and deliver or arrange the delivery of the relevant offer documents, agreements and any other deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and to settle all questions, difficulties or doubts that may arise in regard to such QIP, as they may, in their absolute discretion, deem fit in the best interest of the Company.
- To do all such acts, deeds and things thereof in its absolute discretion as it deems necessary or desirable in connection with the issue of the QIP Securities, including, without limitation to:
 - i. decide the date of opening and closing of the issue of QIP Securities, including determining the form and manner of the issue, issue structure, including the class of investors to whom QIP Securities are to be issued and allotted, number of QIP Securities to be allotted, issue price (including the premium or discount, to the floor price, as the case may be), delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of QIP Securities by the Company;
 - ii. finalization of the allotment of the QIP Securities on the basis of the subscriptions received;
 - iii. finalization of and arrangement for the submission of the preliminary and final placement document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
 - iv. approval of the preliminary and final offering circulars or placement document as finalized in consultation with the lead manager(s)/advisor(s), in accordance with all applicable rules, regulations and guidelines;
 - v. appoint, in its absolute discretion, managers (including lead managers), merchant bankers, underwriters, guarantors, depositories, custodians, registrars, bankers, financial and/or legal advisors and all other agencies, whether in India or abroad as may be involved in such offering of Securities, and to remunerate them by way of fees, commission, brokerage fees, or the like, entering into or execution of all such agreements / arrangements / memorandum of understanding/documents with any such agencies, in connection with the proposed offering of the QIP Securities;
 - vi. authorization to any Director or Directors of the Company or other officer or officers of the Company including by the grant of Power of Attorney, to do such acts, deeds and things as the authorized person in its absolute discretion may deem necessary or desirable in connection with issue and allotment of the QIP Securities;
 - vii. seeking, if required, consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India and outside India and any other consent that may be required in connection with the issue and allotment of the QIP Securities; and
 - viii. all such acts, deeds, matters and things as the committee may, in its absolute discretion, consider necessary, proper expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot unsubscribed portion, if any, in such manner and to such person(s) as it may deem fit and proper in its absolute discretion to be most beneficial to the Company;

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 during the tenure
*Shri Sadashiv Sawrikar	Chairman	1	1
#Shri Ravi Sanghi	Chairman	7	7
Smt. Bina Engineer	Member	7	7
Shri Aditya Sanghi	Member	7	6
Shri Alok Sanghi	Member	7	7
Shri N. B. Gohil	Member	7	7

* Ceased to be Independent Director w.e.f. 23.06.2022

Appointed as a Chairman of the Committee w.e.f. 23.06.2022

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 the provisions of 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 2022-23, one (1) meeting of Nomination and Remuneration Committee was held on 24th May, 2022

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 during the tenure
*Shri D K Kambale	Chairman	1	1
*Shri Sadashiv Sawrikar	Member	1	1
Smt. Raina Desai	Member	1	1
# Shri Sudhir Nanavati	Chairman	NA	NA
# Shri G M Yadwadkar	Member	NA	NA

* Ceased to be Independent Directors w.e.f. 23.06.2022

Appointed as Independent Directors and Chairman / Member of committee w.e.f. 23.06.2022

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/her knowledge, experience, integrity, expertise in any area, number of Board / Committee meetings attended, time devoted to the Company, 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. The Board of Directors were quite satisfied with the performance of all the directors of the Company derived on the basis of performance evaluation.

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 Company has in place a duly constituted Stakeholders Relationship Committee.

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:

During the FY 2022-23 one (1) meeting of Stakeholders Relationship Committee was held on 14th February, 2023.

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 during the tenure
*Shri D B N Rao	Chairman	NA	NA
*Shri Sadashiv Sawrikar	Member	NA	NA
Shri Ravi Sanghi^	Member	NA	NA
# Shri S Balasubramanian	Chairman	1	1
# Smt. Raina Desai	Member	1	1
# Smt. Bina Engineer	Member	1	1

* Ceased to be Independent Directors w.e.f. 23.06.2022

Appointed as Chairman and Members w.e.f. 23.06.2022

^ Ceased to be member w.e.f. 23.06.2022.

The Chairman of the Stakeholders Relationship Committee is an Independent Director of the Company. Shri Anil Agrawal, Company Secretary acts as a Secretary and Compliance officer of the Company.

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 and update the same from time to time.
- 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 / programs / activities proposed to be undertaken by the Company.
- To review CSR activities from time to time, undertake necessary corrective actions, if required and reporting of the CSR activities to CSR Committee/Board of Directors.
- Explain the manner in which the surplus from CSR projects will be treated.
- To place before the board the draft annual report as per the format in annexure to the Rules in Board meeting for Board to review and finalization.

II. Composition and Attendance:

During the year 2022-23, two (2) meetings of the Corporate Social Responsibility Committee were held on 24th May, 2022 and 14th February, 2023.

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 during the tenure
Shri S. Balasubramanian	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

SEBI, vide its notification dated 5th May, 2021, amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notified SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, making changes in Regulation 21 which now requires top 1000 listed companies (based on the market capitalization calculated as on 31st March of every year) to formulate the Risk Management Committee and to comply with the other requirements as stated in the amended provision. As the Company falls in the list of top 1000 Companies as per Market Capitalization as on 31st March, 2022 the provisions of Regulation 21 continued to remain applicable to the Company during the financial year 2022-23.

The Company has already constituted a committee known as "Risk Management Committee" which is in due compliance of the requirement of amended provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirement) Regulations.

The Company abide by the requirements of amended Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

I. The existing brief description of Terms of Reference are as under:

- Identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, cyber security risks or any other risk as may be determined by the risk management committee.
- To ensure that the relevant Measures for risk mitigation are being taken and implemented appropriately.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To periodically review the risk management policy, at least once in two years.
- To keep the board of directors informed / apprised about the risks related scenario and to provide the recommendations and actions to be taken, to mitigate the same, if required.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

II. Composition and Attendance:

During the year 2022-23 two (2) Risk Management Committee meetings were held on 9th May, 2022 and 4th November, 2022.

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

Name of Members	Designation	No. of Meetings held	No. of Meetings attended during the tenure
*Shri Sadashiv Sawrikar	Chairman	1	1
# Shri Arvind Agarwal	Chairman	1	1
Shri Ravi Sanghi	Member	2	2
Shri N. B. Gohil	Member	2	2

*Ceased to be Independent Director w.e.f. 23.06.2022

Appointed as Chairman of the committee w.e.f. 23.06.2022

The Chairman of the Risk Management Committee is an Independent Director.

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 14th February, 2023. 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 Chairman and 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. 01.09.2020	Five Years w.e.f. 06.09.2022	Five Years w.e.f. 06.09.2022	Five Years w.e.f. 06.09.2022	Three Years w.e.f. 22.12.2020
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, 2023 towards Salary of Chairman & Managing Director and Executive Director(s) are as follows:

(₹ in Crore)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Shri Ravi Sanghi	1.875	0.00
Shri Aditya Sanghi	1.25	0.00
Shri Alok Sanghi	1.25	0.00
Smt. Bina Engineer	1.25	0.00
Shri N B Gohil	0.60	0.00

The Company has not formulated any scheme for giving stock options to its employees. Hence, no stock options have been granted to any Executive Directors of the Company during the FY 2022-23.

Non-Executive Directors

None of the Non-Executive Directors have any pecuniary interest or transactions with the Company, except receiving sitting fee of Rs. 30,000/- (Rupees Thirty Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of Rs. 10,000/- (Rupees Ten Thousand Only) from the Company for attending each meeting of the Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Risk Management Committee / Stakeholders Relationship Committee of Directors and Independent Directors meeting.

During the year ended 31st March, 2023, the Company has paid the following amount towards sitting fees and incidental expenditure to the Directors for attending the Board / Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Independent Directors Meetings:

Name of Director	Total Amount (₹)	Name of Director	Total Amount (₹)
*Shri Sadashiv Sawrikar	60,000	Shri Arvind Agarwal	3,00,000
*Shri D K Kambale	50,000	Ms. Raina Desai	2,40,000
*Shri D B N Rao	40,000	# Shri G M Yadwadkar	2,60,000
Shri S. Balasubramanian	2,80,000	# Shri Sudhir Nanavati	1,60,000

* Ceased to be Independent Directors w.e.f. 23.06.2022

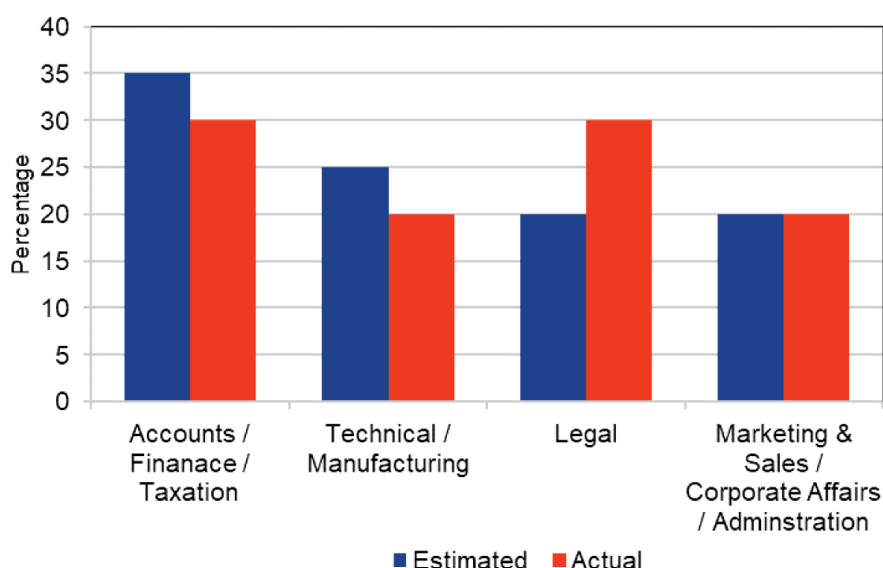
Appointed as Independent Directors w.e.f. 23.06.2022

Criteria of making payments to non-executive directors:

None of the Non-Executive Directors have any pecuniary transactions with the Company, except receiving sitting fee for attending the Board and committee meetings as per the details mentioned above, hence the criteria for making payments to non –executive directors would not be applicable.

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

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



The list of core skills / expertise / competence identified by the Board as per the requirement of business are as under :

Skills and Attributes	Description
Accounts/Finance/ Taxation	Experience and knowledge in Financial Management, taxation and having in-depth 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	1 st July 1952	14 th June 1985	Graduate in Commerce. Shri Ravi Sanghi is a first generation entrepreneur, he leads the company with his inspiring vision and commitment. The establishment of one of the India's largest integrated single-stream cement plant in Kutch, by the Sanghi team is the result of his untiring dedication. He carries immense experience in conceptualizing and directing projects across diverse industries and magnitudes.
Shri Aditya Sanghi, Executive Director DIN : 00033755	18 th September, 1982	27 th 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	13 th January,	27 th January, 2007	Armed with a degree in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA, Alok Sanghi, brings immense knowledge and experience of the global Financial Services sector. Under his direction the company has successfully launched products in Domestic and International Markets. His business acumen lends crucial competence to the commercial, shipping, marketing strategies and corporate affairs of the company.
Smt. Bina Engineer, Executive Director & Chief Financial Officer DIN : 01653392	13 th April, 1967	27 th January, 2007	B.Com, Chartered Accountant. She has over three 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 by the 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	16 th June, 1950	22 nd December, 2011	Diploma in Mechanical Engineering. He is aged about 72 years and is having rich industrial experience in the field of Erection & Commissioning, Operations and Maintenance activities of Thermal Power Plants and specializes in Pollution Control Norms, Factory Regulations and other administrative matters.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Mr. Arvind Agarwal Independent Director DIN: 00122921	23 rd April, 1960	12th August, 2021	Graduate from Sydenham College of Commerce & Economics, Mumbai. After post graduation in Commerce, he did CA Articleship with Price Waterhouse & Co., Mumbai and completed CA (Intermediate) with 11th all-India rank. He joined the Indian Administrative Service in 1984 in the Gujarat cadre. In a span of over 36 years in the IAS, he served in various prominent positions in the Government of Gujarat, namely District Development Officer of Bharuch and Kutch districts, Collector & District Magistrate of Bharuch district, Commissioner of Labour, Transport, Higher Education, Bureau of Public Enterprises, Civil Supplies, Commissioner of Industries, VC&MD of Gujarat Industrial Development Corporation (GIDC), Managing Director of Gujarat State Financial Corporation, Chairman of Gujarat Pollution Control Board (GPCB), Additional Chief Secretary of Industries & Mines, Forest and Environment, and Finance Departments. He was also nominated as a director on important companies of the Government of Gujarat.
Shri Sundaram Balasubramanian, Independent Director DIN: 02849971	3 rd November, 1942	9 th November, 2017	He is 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. He is the General Editor of Ramaiya's Guide to Companies Act 2013. Presently, he is practising as a consultant in Corporate Laws. In addition he has also been functioning as an Arbitrator.
Ms. Raina Desai Independent Director DIN : 05113035	8 th January 1991	5 th 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, She is, 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 (including forensic services & investigations) and Global Knowledge Services to a number of reputed corporates worldwide. She is affiliated to the Bar Council of Maharashtra & Goa.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
*Shri G M Yadwadkar Independent Director DIN: 01432796	12th September, 1962	23rd June, 2022	He is a retired deputy Managing Director of IDBI Bank. He has completed his Bachelor's Degree in Engineering from V J Technical Institute, Mumbai and further completed his Masters of Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has done ICWA Intermediate with First Class and has cleared CAIIB with First Class. He has a very rich and varied experience of more than three decades in serving the Banking Industry. He has been instrumental in framing and executing various core policies in IDBI successfully.
*Shri Sudhir Nanavati Independent Director DIN: 00050236	29th September 1947	23rd June, 2022	Mr. Nanavati is a multifaceted, magnanimous, and charismatic personality shouldering responsibility as the President of GLS University. He is a Senior Advocate in the Gujarat High Court and the Supreme Court, with more than 50 years of legal experience. While he is widely known for his expertise and acumen in the legal domain, he has broad institution- building capabilities. One of the leading educationists, the Gujarat Law Society has made significant progress under his leadership. He is also an Honorary Doctorate recipient from Gujarat University for his noble service in the fields of legal education and social welfare. He is actively involved in various educational associations, including Forum of Private Universities, GSFC University, Shreyarth University, and National Law University, Delhi, to name a few. He is also appointed as Ambassador of Gujarat for "Swachh Bharat Abhiyan" by the Hon'ble Chief Minister of Gujarat State and the Government of India. He has been awarded "The Contemporary Achiever Award" by Divya Bhaskar, the "Gold Star Award" by the Indian Achievers Forum for Excellence in Education and the "Indian Achiever Award" by the Indo-Thai Business Community Forum.

* Appointed as Independent Directors w.e.f. 23.06.2022.

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 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 they are independent of the management. There has been no change in the circumstances affecting their status as an Independent Directors during the year under review.

5. Subsidiary Company

As at 31st March 2023, the Company does not have any Subsidiary Company.

6. Particulars for Investors:**Name and Designation of Compliance Officer:**

Shri Anil Agrawal - Company Secretary & Compliance Officer.

E-mail: companysecretary@sanghiment.com

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

The Company had generally attended to all complaints / queries of investors within a period of 14-21 days from the date of receipt.

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 2022-23 is as under:

Particulars	No. of Complaints
Complaints at the beginning of the year	0
Complaints received during the year	9
Complaints resolved during the year	6
Complaints remain unresolved at the end of the year	3

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
2022	17.09.2022	In Virtual Mode through Video Conferencing or other audio visual means	11.00 a.m.	6
2021	18.09.2021	In Virtual Mode through Video Conferencing or other audio visual means	11.00 a.m.	1
2020	21.08.2020	In Virtual Mode through Video Conferencing or other audio visual means	10.00 a.m.	4

Details of Extra-ordinary General Meeting held during FY 2022-23

Year	Date	Venue	Time	No. of Special Resolutions passed
2022	29.12.2022	In Virtual Mode through Video Conferencing or other audio visual means	11.00 a.m.	1

The Company has neither passed any special resolution through postal ballot during the Financial Year 2022-23 nor any special resolution is proposed to be passed through postal ballot as on date of this report in the ensuing Annual General Meeting.

8. Disclosures

- Particulars of the related party transactions are listed out in Note 38 of the Notes of Accounts of Annual Report. However, there were no materially significant related party transactions during the financial year 2022-23 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 <https://www.sanghiment.com/policies/>
- The Company is not having any subsidiary as on 31st March 2023 and therefore the Company is not required to adopt and approve policy for "Material Subsidiary".
- 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.

- d) 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 <https://www.sanghiment.com/policies/>
- e) The Company has complied with all the mandatory requirements of the listing regulations, in respect to the Corporate Governance.
- f) All the mandatory recommendations of committee have been adopted by the Board.
- g) During the year under review, there are no Loans or advances in the nature of loan given by the Company to any firms/ companies in which Directors are interested.
- h) During the year under review the Company has issued and allotted 73,26,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 68.25/- per share (including premium of Rs. 58.25 per share) aggregating to Rs. 50 Crore on 30.12.2022 to the Promoter Group entity
The details of utilization of proceeds of the said issue as per Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time is forming part of the Directors' Report of the Company. .
- i) 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, 2023.
 - The Internal Auditors report directly to the Audit Committee.
- j) Disclosure of Accounting Treatment:
In preparation of financial statements, the Company has followed the applicable Indian Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.
- k) 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 Mana Telangana and are displayed on the website of the Company <https://www.sanghiment.com/investors/>

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 <https://www.sanghiment.com/investors/>

C. Website:

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

10. General Shareholder Information

A. General Information:

Annual General Meeting	:	On or before 30th September, 2023
Day, Date & Time	:	meeting is proposed to be held through Video Conferencing / OAVM.

Financial Year / Calendar	: 1st April, 2023 to 31st March, 2024
1. Results for first quarter ending 30 th June, 2023	: On or before 14th August, 2023
2. Results for second quarter ending 30 th September, 2023	: On or before 14th November, 2023
3. Results for third quarter ending 31 st December, 2023	: On or before 14th February, 2024
4. Results for fourth quarter ending 31 st March, 2024	: On or before 30th May, 2024
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 Equity BSE NSE ISIN (NSDL & CDSL) Debt BSE ISIN	: 526521 : SANGHIIND : INE999B01013 : : 973004 : INE999B07036
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@sanghiment.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:

As mandated by SEBI, securities of the Company can be transferred / traded only in demat mode. Further SEBI vide its circular dated 25.01.2022 has mandated that all the requests received for issue of duplicate shares, renewal / exchange of share certificates / consolidation / splitting / division / transmission and transposition which were allowed in physical form should be processed in dematerialised mode only.

The Company completes the process of relogged 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 on 31.03.2023 all the shares of the Company are in demat form.

C. 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 2022-23 are as under:

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-2022	54.90	44.00	54.95	43.80
2	May-2022	47.70	36.55	48.40	36.55
3	Jun-2022	40.10	32.55	40.35	32.65
4	Jul-2022	39.55	34.90	39.70	31.65
5	Aug-2022	57.85	36.90	57.85	36.80
6	Sept-2022	74.00	52.55	73.00	53.00
7	Oct-2022	59.40	50.15	59.60	50.25
8	Nov-2022	73.15	54.60	73.30	54.65
9	Dec-2022	79.90	59.85	79.95	59.90
10	Jan-2023	77.80	60.85	77.55	60.80
11	Feb-2023	69.65	53.00	69.75	53.05
12	Mar-2023	69.09	54.60	69.40	54.75

D. Distribution of Equity Shareholding as on 31st March, 2023

No. of Shares	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	38025	81.66	5221195	2.02
501 – 1000	3890	8.35	3253080	1.26
1001 – 2000	1995	4.28	3146689	1.22
2001 – 3000	740	1.59	1935200	0.75
3001 – 4000	332	0.71	1197143	0.46
4001 – 5000	388	0.83	1874350	0.73
5001 – 10000	536	1.15	4205543	1.63
10001 – and above	658	1.41	237492800	91.94
Total	46564	100.00	258326000	100.00

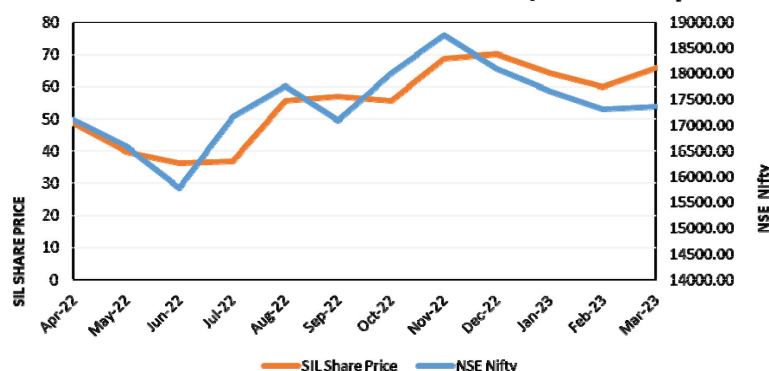
E Distribution of Equity Shareholding according to categories of Shareholders as on 31st March, 2023

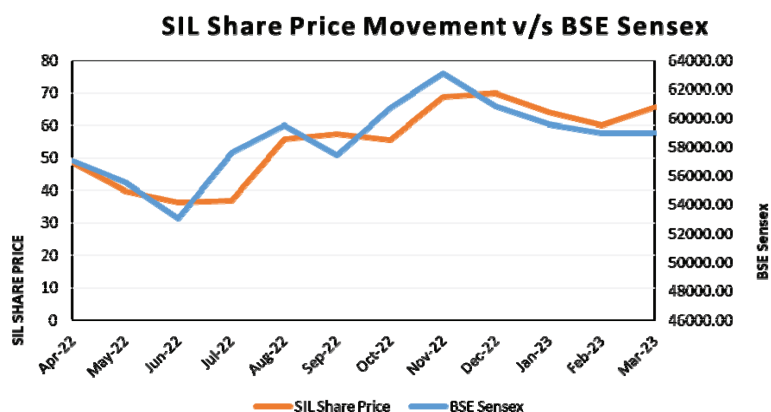
Category	No. of Shares of Rs. 10/- each	Amount (in ₹)	% to total
Promoter & Promoter Group	187864629	1878646290	72.72
Public			
a) Mutual Funds	-	-	-
b) Alternative Investment Funds	-	-	-
c) Foreign Portfolio Investor (Category-1)	1895830	18958300	0.73
d) Foreign Portfolio Investor (Category-2)	711700	7117000	0.28
e) FIs / Banks	-	-	-
f) Insurance Companies	-	-	-
g) FI	-	-	-
h) Non-resident Indians / OCBs	1397972	13979720	0.54
i) Trust	-	-	-
j) Clearing Members	228983	2289830	0.09
k) Bodies Corporate	15799105	157991050	6.12
l) Director and their relatives (Excluding Independent Director and Nominee Director)	25000	250000	0.01
m) Key Managerial Personnel	100	1000	0.00
n) Resident Individual / HUF holding nominal share capital upto Rs 2 Lakhs	23135126	231351260	8.96
o) Resident Individual / HUF holding nominal share capital in excess of Rs 2 Lakhs	27267555	272675550	10.56
Total	258326000	2583260000	100.00

F. 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, 2023, 100% of the Equity Share Capital, representing 25,83,26,000 shares were held in demat mode.

Performance in comparison to the Broad-based indices:
SIL Share Price Movement v/s NSE Nifty


**G. Non Convertible Debentures:**

The Company has following Non Convertible Debentures issued on Private Placement basis listed on 'Wholesale Debt Market' Segment of BSE Limited during the year under review.

Sr.	Script Code	ISIN	Description
1	973004	INE999B07036	3050 Listed, Rated, Secured, Redeemable, Non-Convertible Debentures of Face Value of Rs. 10,00,000/- each aggregating to Rs. 305 Crore Outstanding as on 31.03.2023 is Rs. 277.55 Cr.)

H. Details of Debenture Trustee:**Vistra ITCL (India) Limited**

Mr. Jatin Chonani, Compliance Officer
CIN : U66020MH1995PLC095507,
The IL&FS Financial Centre, Plot No. 22, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai, 400 051, India
Tel: +91 22-26593535

Email: itclcomplianceofficer@vistra.com **Website:** www.vistraitcl.com

I. Credit Rating of Debt Instruments :

The credit rating as on 31.03.2023 are as under:

Instrument Type	Amount (Rupees in Crore)	Rating Agency	Rating	Outlook
Term Loan	Rs.578.30 Crore	India Rating & Research Pvt. Ltd. (A Fitch Group Company)	IND BB+ (20.01.2023)	Stable
	Rs. 794.50 Crore		IND BB+ (23.09.2022)	RWN
	Rs. 794.50 Crore		IND BBB (15.07.2022)	Negative
Non-Convertible Debentures	Rs. 280 Crore		IND BB+ (20.01.2023)	Stable
	Rs. 305 Crore		IND BB+ (23.09.2022)	RWN
	Rs. 305 Crore		IND BBB (15.07.2022)	Negative

Instrument Type	Amount (Rupees in Crore)	Rating Agency	Rating	Outlook
Fund based Limits	Rs. 185 Crore		IND BB+ (20.01.2023)	Stable
	Rs. 285 Crore		IND BB+ (23.09.2022)	RWN
	Rs. 285 Crore		IND BBB (15.07.2022)	Negative
Non fund based limits	Rs. 140 Crore [^]		IND A4+ (20.01.2023)	-
	Rs. 40 Crore [*]		IND A4+ (23.09.2022)	RWN
	Rs. 40 Crore [*]		IND A3+ (15.07.2022)	-

[^] Rs 40 Crore Interchangeable with fund based limits

^{*} Interchangeable with fund based limits

J. 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.

K. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

L. 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	0.07
Total	0.37

M. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosure in relation to the above including the details of complaints if any is mentioned in the Directors' Report of the Company.

N. Certificate from Practising Company Secretary :

The Company has received Certificate from Parikh Dave & Associates, Practising Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority. The certificate forms part of this report.

O. Secretarial Auditors

M/s. Parikh Dave & Associates, Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2022-23 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.

11. CEO/CFO Certification

The Chairman and Managing Director / Chief Financial Officer of the Company give 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 / 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.

12. 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 2022-2023. The Code of Conduct is also posted on the website of the Company www.sanghiment.com/policies.

For and on behalf of the Board

Place : Ahmedabad
Date : 17th May, 2023

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, Telangana - 501511 which were produced before us by the Company for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with 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 Director Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA i.e. www.mca.gov.in), we hereby certify that none of the Directors on the Board of the Company as on 31.03.2023 have been debarred or disqualified from being appointed or continuing as a Director 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.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

For, Parikh Dave & Associates
Company Secretaries

Place : Ahmedabad
Date : 17/05/2023

Umesh G. Parikh
Partner
Practicing Company Secretary
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS No. 4152 C P No. 2413
UDIN: F004152E000319819

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, 2023 and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;

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, 2023, 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:
 - significant changes in internal control over financial reporting during the year, if any;
 - significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : 17th May, 2023

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:
1. 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;
 2. 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;
 3. 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;
 4. To determine the appropriate size, diversity and composition of the Board;
 5. To identify and recommend names of Directors who are to retire by rotation;
 6. To set up a formal and transparent procedure for selecting Directors for appointment to the Board;
 7. To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
 8. To develop a succession plan for the Board and Senior Management and to regularly review the plan;
 9. To recommend necessary changes in the Board;
 10. To delegate any of its powers to the members or the Secretary of the Committee;
 11. 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;
 12. To recommend for continuation of term of Independent Directors who have attained the age of 75 years;
 13. To consider any other matters as may be requested by the Board.
- B. **The duties of the Committee in relation to remuneration matters include:**
- a) 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;
 - b) 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;
 - c) To delegate any of its powers to the members or the Secretary of the Committee;
 - d) To consider any other matters as may be requested by the Board;

For and on behalf of the Board

Place : Ahmedabad
Date : 17th May, 2023

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[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, 2023 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, 2023 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;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client - 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;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable during the year under review;

- g. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
- h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- As there is no fresh issue of any Listed Non-Convertible security during the year, the said provisions are not applicable in the reporting year. The debt securities already listed are governed by provision of 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 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. Indian 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 including Woman Independent Director. 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, agenda and detailed notes on agenda were sent at least seven days in advance, except where meetings are held on shorter notice in compliance of law, 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:

- 1) On 29th November, 2022, the Company has allotted 5000 Secured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures (NCDs) aggregating to Rs. 500,00,00,000/- having face value of Rs. 10,00,000/- each on Private Placement basis to Kotak Special Situation Fund.
- 2) The Company has made partial pre-payment of principal amount along with redemption premium for 3050 Listed, Rated, Secured, Non-convertible, Redeemable Debentures (NCD) of face value of Rs. 10,00,000/-. As on 31st March, 2023 the outstanding amount of said NCDs is Rs. 277.55 Crore.
- 3) On 30th December, 2022, the Company has issued and allotted 73,26,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 68.25 per share (including security premium of Rs. 58.25 per share) on private placement (Preferential Allotment) basis aggregating to Rs. 49,99,99,500/- to Thinkfar Tradelink Private Limited (A Promoter Group Entity). The said preferential issue has also been approved by shareholders at their Extra Ordinary General Meeting held on 29th December, 2022.
The said shares are admitted for listing on both the Stock Exchanges w.e.f. 12th January, 2023.
- 4) The Board of Directors at their meeting held on 4th March, 2023 have approved the proposal of shifting of the Registered Office of the Company from the "State of Telangana" to the "State of Gujarat", and consequential amendment in Clause II of the Memorandum of Association of the Company i.e. "Situation Clause", subject to the approval of the members of the Company and Regional Director.

After the reporting period, the said proposal has also been approved by Shareholders in their Extra Ordinary General Meeting held on 1st April, 2023 and the registered office of the Company will be shifted from the "State of Telangana" to the "State of Gujarat" after obtaining necessary approvals / orders of Regional Director and other relevant authorities.

Further, 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
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020**

**PLACE : AHMEDABAD
DATE : 17/05/2023**

**UMESH G. PARIKH
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS NO. 4152 CP. NO. 2413
UDIN: F004152E000319720**

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. We have conducted the secretarial audit by examining the Secretarial Records and other documents in electronic mode.

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
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020

PLACE : AHMEDABAD
DATE : 17/05/2023

UMESH G. PARIKH
PARTNER
ICSI Unique Code No.: P2006GJ009900
Peer review Certificate No.: 796/2020
FCS NO. 4152 CP. NO. 2413
UDIN: F004152E000319720

Annexure - IV

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

- (i)
- Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2023;**

Sr. No.	Director	Remuneration (₹ in lacs P.A.) (Refer Note 1)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	187.50	7.77	24
2.	Shri Aditya Sanghi	125.00	7.77	16
3.	Shri Alok Sanghi	125.00	7.77	16
4.	Smt. Bina Engineer	125.00	7.77	16
5.	Shri N B Gohil	60.00	7.77	8

- (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

The Other Directors are Non Executive Directors and are receiving sitting fee of Rs. 30,000 (Rupees Thirty Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of Rs. 10,000 (Rupees Ten Thousand Only) from the Company for attending each meeting of the Audit Committee/ Nomination and Remuneration Committee/ Corporate Social Responsibility Committee/ Risk Management Committee / Stakeholders Relationship Committee of Directors and for attending the Independent Directors meeting.

- (iii)
- The percentage increase/decrease in the median remuneration of employees in the financial year:**
- 6.88 % increase in median remuneration of employees of the Company.

- (iv)
- The number of permanent employees on the rolls of company:**
- 685 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:**

N.A. as there was no increase in managerial remuneration paid during FY: 2022-23.

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

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

For and on behalf of the Board

Place : Ahmedabad
Date : 17th May, 2023

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

ANNUAL REPORT ON CSR ACITIVITIES

1. A brief outline of the Company's CSR Policy

The company has framed the Corporate Social Responsibility (CSR) policy in compliance with the provisions of the Companies Act, 2013. The CSR policy enumerating the CSR Activities / projects / programs undertaken / to be undertaken by the Company is in accordance with the Schedule VII of the Companies Act, 2013.

Policy of the Company : The CSR Policy is posted on the Company's website at: <http://www.sanghiment.com/policies/>

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR committee held during the year	Number of CSR Committee meetings attended during the year
1.	Shri Balasubramanian	Chairman, Independent Director	2	2
2.	Shri Aditya Sanghi	Member, Executive Director	2	2
3.	Shri N B Gohil	Member, Executive Director	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

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

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Average net profit of the Company as per Section 135 (5)

Particulars	(₹ In Crore)
Average net profits for last three financial years	78.23

(b) Two percent of average net profit of the company as per section 135(5)

Particulars	(₹ In Crore)
Prescribed CSR expenditure (2% of Rs. 78.23 Crore)	1.56

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

(d) Amount required to be set off for the financial year, if any. Nil

(e) Total CSR obligation for the financial year (7b+7c-7d). Rs 1.56 Cr.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 1.59 Crore

(b) Amount spent in Administrative Overheads : Nil

(c) Amount spent on Impact Assessment, if applicable : N.A.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : Rs. 1.59 Crore

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ crores)	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
1.59	N.A				

(f) Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs. in crores)
1.	Two percent of average net profit of the company as per section 135(5)	1.56
2.	Total amount spent for the Financial Year	1.59
3.	Excess amount spent for the financial year [(II)-(I)]	0.03
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
5.	Amount available for set off in succeeding financial years [(III)-(IV)]	0.00

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sr.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under subsection No. (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial year (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	FY-2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	FY-2020-21	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	FY-2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

 Yes, No

If yes, enter the number of Capital assets created/ acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

For and on behalf of Board

Place : Ahmedabad
Date : 17th May, 2023

S. Balasubramanian
Chairman-CSR Committee
(DIN: 02849971)

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Annexure-VI

Annexure VI to the Directors' Report

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

The Directors present the Business Responsibility and Sustainability Reporting as per SEBI Circular dated 10th May, 2021 for the financial year ended on 31st March, 2023.

SECTION A : GENERAL DISCLOSURE:**I. Details of Listed Entity**

1	Corporate Identity Number (CIN) of the Company	L18209TG1985PLC005581
2	Name of the Company	Sanghi Industries Limited
3	Year of Incorporation	1985
4	Registered Address	Sanghinagar P.O. Hayatnagar Mandal, R R District, Telangana – 501 511.
5	Corporate Address	10th Floor, Kataria Arcade, Off. S.G. Highway, Post Makarba, Ahmedabad – 380 051
6.	Email ID	companysecretary@sanghiment.com
7	Telephone	+91 8415 242 277 /40
8	Website	www.sanghiment.com
9	Financial year of which Reporting is being done	1st April, 2022 to 31st March, 2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11	Paid Up Capital	Rs. 258.33 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Shri Anil Agrawal +91 8415 242 277 / 40 companysecretary@sanghiment.com
13	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Yes, the disclosures under this report is made on standalone basis as the Company is not having any subsidiary company as on end of the financial year 2022-23.

II. Products/Services**14. Details of business activities (accounting for 90% of the turnover):**

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing and dealing in Ordinary Portland and Portland Pozzolana cement	97.54%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code*	% of Total Turnover contributed
1.	Ordinary Portland and Portland Pozzolana Cement	2394	97.54%

* NIC -2008

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	Main Plant- 01		
Bulk Terminal -03	03	07	
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Location.	Number
National (No. of states)	5 States
International (No. of countries)	In F Y 2022-23 : 1 (Seychelles) In General : 5 (Bangladesh, Sri Lanka, Seychelles, Madagascar, Reunion)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

- It is about 0.03%

c. A brief on types of customers :

- The brief types of customers includes:

- i. Government Sectors : For various Infra-projects including construction of Highways / canals / railways etc.
- ii. Industrial works
- iii. Builders / developers for residential / commercial buildings
- iv. Ready mix concrete Manufacturer
- v. Individual house building
- vi. Pre-cast Manufacturing Industries

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	518	504	97.30%	14	2.70%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	518	500	97.30%	14	2.67%
WORKERS						
4.	Permanent (F)	167	164	98.20%	3	1.80%
5.	Other than Permanent (G)	785	630	80.25%	155	19.75%
6	Total workers (F + G)	952	794	83.40%	158	16.60%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLE EMPLOYEES						
1.	Permanent (D)	2	2	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	2	2	100	0	0
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20.00%
Key Management Personnel	3	1	33.33%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2021 (Turnover rate in current FY)			FY 2022 (Turnover rate in previous FY)			FY 2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28.3	0.6	28.9	45	1.7	46.7	53.2	1.07	54.3
Permanent Workers	14.7	0	14.7	25.9	0	25.9	24.6	1.2	25.8

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary / Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
NIL				

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes
(ii) Turnover (Rs. In Crore.) : Rs 924.50 Crore
(iii) Net worth (Rs. In Crore) : Rs 1415.81 Crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2023 Current Financial Year			FY 2022 Previous Financial Year		
	<i>(If Yes, then provide web-link for grievance redress policy)</i>	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	*Yes	-	-	-	-	-	-
Shareholders	Yes						
	(Ref. Note 1)	9	3	-	5	0	-
Employees and workers	Yes (Ref. Note 2)	-	-	-	-	-	-
Customers	Yes (Ref. Note 3)	-	-	-	-	-	-
Value Chain Partners	-	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

* The Whistle Blower policy of the Company also includes all the stakeholders of the company and accordingly the grievance of all the stakeholders are covered under the said policy. The Whistle Blower policy is available on the website of the Company at <https://www.sanghiment.com/policies/>

Note:

- Shareholders Complaints are dealt by the Secretarial Department of the Company and its reporting on quarterly basis are done with Stock Exchanges where the shares of the Company are listed.
- Employees of the Company may report their grievances / complaints to their respective Head of Departments / immediate superior which is escalated to the HR department of the Company in case of non-satisfactory resolution.
- Customers Complaints are dealt with by a separate team and are resolved within the committee time.

24. Overview of the entity's material responsible business conduct issues (ESG)

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	R		Policy revision/upgradation / Board review	Negative
2	Business Ethics	R		Whistle blower policy and its deployment. The Company has a whistle blower policy for its employees, vendors and channel partners	Negative
3	Customer Experience & Satisfaction	O	--	--	Positive
4	GHG Emissions and Climate Change	O	--	--	Positive
5	Circular Economy	O	--	--	Positive
6	Energy Management Cost of installation/ replacement.	O	--	--	Positive / Negative
7	Use of Alternative Fuels	O	--	--	Positive / Negative Cost of installation / replacement.
8	Water Management	O / R	Water is the most crucial resource for maintaining our manufacturing activities. We have a relentless focus on reducing usage and improving conservation to promote water stewardship across our operations.	<ul style="list-style-type: none"> ▶ Maintain Zero Liquid Discharge (ZLD) ▶ Water used in the plant for industrial cooling is recycled through cooling towers to ensure effective reuse. ▶ 400 KLD Sewage Treatment Plant (STP) to treat the sewage from the colony. This STP is built on the innovative "Root Zone Treatment technology", which cleans discharged water and makes it safe to use once more for dust control and greenbelt development. 	Positive / Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Availability of fuels for power generation & process heating	R	Increase in the prices and shortage of availability of the Coal in the Market	Finding of alternative which can be used and figure out other avenues for purchase of coal	Negative Cost of procuring fuel
10	Social engagement & Impact	O	--	--	Positive / Negative Cost of implementing CSR projects
11	Human Rights & Labour Conditions	R	--	The company ensures that every individual in the company acts in accordance with applicable laws and supports the protection of human rights, abolition of child labour, avoidance of forced labour and any form of slavery. This is embedded in its various corporate policies like Environment, Health & Safety (EHS) Policy, Whistle-Blower policy, Protection of Women's Rights at Workplace Policy and the Code of Conduct. Training on various issues related to human rights are covered under new employee induction, EHS training, POSH, code of conduct etc.	Negative
12	Occupational health & Safety	R	--	Training/ awareness/ technological upgradation/ review at senior level and Board committee. SIL is committed to its Zero Harm to life.	Negative
13	Diversity and Inclusion	O	--	--	Positive
14	Sustainable Supply chain	O/R	--	Supplier/vendor Code of Conduct (COC) covers EHS and Human Rights parameters to be adhered and supply chain partners must sign the COC as a part of the contract documents.	Positive / Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable

P2 Businesses should provide goods and services in a manner that is sustainable and safe

P3 Businesses should respect and promote the well-being of all employees, including those in their value chains

P4 Businesses should respect the interests of and be responsive towards all its stakeholders

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect and make efforts to restore the environment

P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P8 Businesses should promote inclusive growth and equitable development

P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	-	Y	Y
c. Web Link of the Policies, if available	https://www.sanghiment.com/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	-	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	-	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is duly certified as per ISO 9001, ISO 14001 & ISO 45001 standards. The Portland Pozzolana Cement (PPC) conforms to the IS 1489 (Part 1) : 1991 Portland Pozzolana Cement Standard and Portland Slag Cement (PSC) conforms to IS 455: Portland Slag Cement Standards.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	1. Achieve carbon neutrality by 2040 2. Emission reduction intensity up to 25% by 2026 3. GTG energy reduction up to 17% by 2026 4. Double the capacity of waste heat recovery system by 2024 5. Double the utilization of AFR by 2026								

	6. Community: Value shared - More than 90000 new beneficiaries by 2026 7. Zero harm vision to life,	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	On-going activity	
Governance, leadership and oversight		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p><i>The Business responsibility and Sustainability Report is one of the many steps we are taking for create a greener future for our company and the larger ecosystem. Our sustainability efforts go beyond using nature's resources efficiently and staying compliant. It is our mission to create shared value by empowering our employees and communities to improve their lives, enabling our value chain partners to prosper as we expand our footprint and, above all, delivering quality products to our customers.</i></p> <p><i>It is our goal to pave circular driven paths to produce cement with zero waste as much as feasible, reducing our carbon footprint and Green House Gas (GHG) emissions. Using recyclable industrials, reducing the use of coal and PET coke, modifying our product mix to include greener blended cement, and deploying waste heat recovery systems to reuse hot waste gas are just some of the measures we are taking to reduce our carbon footprint. In line with our efforts to decrease the production of waste and increase the adoption of alternative fuels and raw materials, we are in the process of commissioning solar and wind energy assets at our locations.</i></p> <p><i>We thank our stakeholders for their continued belief in the Company as we surge ahead with our mission of transforming lives, protecting our planet and delivering sustained values.</i></p>	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Shri N. B. Gohil (DIN: 05149953) Designation: Whole Time Director Contact Details: 02831 – 274131 / 32 /33 E mail ID: info@sanghiment.com	
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes The Whole Time Director as mentioned in Point No. 8 is responsible for decision making on the sustainability related issues of the Company.	
10. Details of Review of NGRBCs by the Company:		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	The Board of Directors through its Whole Time Director (Shri N. B. Gohil) or internal committees assess the performance of the referred policies	On need basis

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Whole Time Director (Shri N. B. Gohil) confirms the compliances with the statutory requirements of relevant principles and rectification of any non-compliances, if any, which is turn in placed before the internal committee of the Board					Internal control system in place to check compliance on a regular basis.				
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	
	N	N	N	N	N	N	N	N	N	
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:										
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-	
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-	
Any other reason (please specify)										

SECTION C [PRINCIPLE-WISE PERFORMANCE DISCLOSURE]:**PRINCIPLE - 1 : [BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE]****Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Update / information about the initiatives taken by the Company in line of Environmental, Social and Governance (ESG) Module and brief on the First ESG Report of the Company.	100
Key Managerial Personnel	1	Update / information about the initiatives taken by the Company in line of Environmental, Social and Governance (ESG) Module and brief on the First ESG Report of the Company.	100
- Employees other than BoD and KMPs	45	Technical / Health & Safety related topics / Material Handling / HR Policies and procedures / Human Rights issues etc	48%
- Workers			

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website); None

Monetary					
	NGRNC Principle	Name of the Regulatory Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred ? (Yes/No)
Penalty/Punishment/ Fine			NIL		
Settlement			NIL		
Compounding Fees			NIL		
Non-Monetary					
	NGRNC Principle	Name of the Regulatory Enforcement Agencies/Judicial Institutions	Brief of the Case	Has an Appeal been preferred? (Yes / No)	
Imprisonment			NIL		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed :

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company does not have the dedicated anti-corruption or anti – bribery policy, however the Company has in place a policy of code of Business Conduct and Ethics which covers the above topics and which is applicable to all the Directors as well as employees of the organization.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. :

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If yes, provide details of the same.

The Company has in place the code of conduct and ethics in place which is applicable to the Directors of the Company. The said code is available on the website of the Company at: <https://www.sanghiment.com/policies/>

PRINCIPLE - 2 : BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Rs 58.67 Lakhs	Rs 118 Lakhs	Energy Conservation , Emission Reduction and improvement in work safety
Capex	Rs 862.38 Lakhs	Rs 114 Lakhs	Energy Conservation , Emission Reduction and improvement in work safety

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes
 b. If yes, what percentage of inputs were sourced sustainably?
 It is mandatory to furnish the evaluation questionnaire (EHS and sustainability parameters) before onboarding as supply chain partners and it has 100% coverage.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company does not have any specific product to reclaim at the end of life. However, at the operation sites, there are systems in place to recycle, reuse and dispose in line with regulatory requirement

- a) Cement is an intermediate product of the construction activity. The PP bags used in packaging are also used for storage of multiple items like sand and gravel. The plastic bags once discarded are also recycled by waste recyclers to create new bags.
 b) The E-waste produced during the office operations is sold to the registered recyclers.
 c) The hazardous waste generated in the cement production process, is disposed off in Kiln under as an alternative fuel.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
 EPR is applicable to the Company. The waste collection plan is in line with the EPR plan submitted to Pollution Control Boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
The Company has not conducted Life Cycle Perspective / Assessments (LCA) for any of its products as our product cement is an intermediate product of construction activity.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). (Costing/Accounts)

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Alternative Raw Materials such as fly ash, Pond ash, Chemical Gypsum, slag etc. used in Clinker and Cement manufacturing	23.29%	25.63%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not applicable as cement is an intermediate product of the construction activity. The PP bags used in packaging are also used for storage of multiple items like sand and gravel			Not applicable as cement is an intermediate product of the construction activity. The PP bags used in packaging are also used for storage of multiple items like sand and gravel.		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable as the product is cement which is used in the form of concrete in buildings and cannot be reclaimed. The packaging is not reclaimed as cement bags are reused by the end users and cement bag manufacturers.	

PRINCIPLE - 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	504	504	100	504	100	-	-	-	-	-	-
Female	14	14	100	14	100	-	-	-	-	-	-
Total	518	518	100	518	100	-	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	164	164	100	164	100	-	-	-	-	-	-
Female	3	3	100	3	100	-	-	-	-	-	-
Total	167	167	100	167	100	-	-	-	-	-	-
Other than Permanent Workers											
Male	630	269	43	630	100	-	-	-	-	-	-
Female	155	0	0	155	100	-	-	-	-	-	-
Total	785	269	43	785	100	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year-

	FY 2022-23			FY 2021-22		
	No. of covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	26.00	21.00	Y	31.00	26.00	Y
Gratuity	100.00	100.00	Y	100.00	100.00	Y
ESI	0.14	3.00	Y	0.26	3.00	Y
Others – please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company has appropriate arrangements for disabled persons to assess its premises / offices.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is not having any specific equal opportunity policy, however the Company strongly believes in the principal of inclusion of all in the Organization without any discrimination on cast, color, gender etc.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	Yes, The grievances of the employees, workers are redressed by a separate Works committee of the Company.
Other than Permanent Workers	
Permanent Employees	The workers / Employees of the Company may report their grievances / complaints to their respective Head of Departments / immediate superior which is escalated to the HR department of the Company in case of non-satisfactory resolution.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:
The Company is not having any such recognized associations / unions. The Company recognizes the right of freedom of its employees and workers.

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category who are part of association(s) or Union (B)	% (D/C)
Total Permanent Employees	Not applicable					
-Male						
-Female						
Total Permanent Workers						
-Male						
-Female						

8. Details of training given to employees and workers:

Category	% of Workers covered by									
	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	504	226	45	184	37	554	232	42	190	34
Female	14	3	22	5	36	22	3	18	6	35
Total	518	229	44	189	37	576	235	41	196	34
Workers										
Male	164	97	59	114	70	178	109	61	95	53
Female	3	3	100	3	100	11	11	100	11	100
Total	167	100	60	117	70	189	120	63	106	56

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23					FY 2021-22				
	Total (A)					Total (C)				
		No. (A)	% (A/B)				No. (D)	% (D/C)		
Employees										
Male	Nil					Nil				
Female	Nil					Nil				
Total										
Workers										
Male	Nil					Nil				
Female	Nil					Nil				
Total										

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes, occupational health and safety management system has been implemented by the entity. It covers the entire operations covering all manufacturing units and ongoing projects. The EHS Policy and management systems have been implemented in accordance with the International Standards ISO 45001:2018 (Occupational Health and Safety Management System Standard). EHS Management System defines the mandatory requirements for the systematic management and execution within the organization. The Company's Integrated EHS Management System is accredited by international certification bodies.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has in place systematic risk management process to identify and control all the hazards in the operations. The Company's risk management process is applied through five steps (Identification, Assessment, Mitigation, Monitoring and Reporting) and is the key driver for controlling the risk of EHS in business. All relevant stakeholders and EHS team members are involved in risk assessments and the risk management process. Risk assessments and safe work procedure are developed and approved prior to starting any new activity. All identified risks and risk mitigation plans are documented and communicated to all relevant parties as per ISO system.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the workers of the Company can approach to the works committee or their head of Department to report the work-related hazards through internal communication so that the same can be redressed at the earliest.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes, all the employees and Workers have access to the first aid kits available at the offices / premises of the Company, also OHC is available along with full time doctors and trained nursing staff in township of the Company for instant and quick relief. In case of any serious medical condition the Company shall arrange for the doctors and hospitalization in required case.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.104	0.260
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company is committed to creating a healthy and safe work environment for all employees, contractors, and people engaged directly or indirectly in operations. To support this further, there is a systematic risk management process in place to identify and control all the hazards within the operation which requires verification of conformity. The EHS management system has various procedures and EHS norms. Hazard identification, Risk Assessment (HIRA) and Job Safety Analysis (JSA) is implemented as per the Standard Operating Procedure. Safety Committees are in place to review the adequacy of resources for safety and to provide support for safety management system. Deployment of safe and healthy system of work is assured through periodic safety audits and area inspections across all sections.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company's EHS department and safety committee undertake a review of all safety related incidents. The incidents are being investigated and corrective and preventive actions are being implemented to stop recurrence of such incidents. The effectiveness of corrective actions deployment being checked during safety Audits. Also learning from investigation reports are shared across organization.

Significant risks/concerns arising from assessment of health and safety practices are addressed through elimination of manual job, safety capability building, monitoring and supervision, etc

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). **No**
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Employees	0	0	NA	NA
Workers	2	11	NA	NA

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **No.**
- Details on assessment of value chain partners: **Not Applicable**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Applicable
Working Conditions	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. **Not Applicable**

PRINCIPLE - 4 : Businesses should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has identified its stakeholders which are largely bifurcated as employees, communities, shareholders / investors, vendors, customers, media and society at large.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Disclosures on the website of the Company and to the Stock Exchanges / Newspaper Advertisements etc which are available in public at large	Annual, half year, quarterly and periodic	<ul style="list-style-type: none"> • Business Updates • Financial information • Non financial disclosures • ESG
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> • Regulatory filings • Facility inspections 	As per applicable rules/regulations	<ul style="list-style-type: none"> • Audit and inspections requirements • Policy requirements
Employees / vendors	No	Company's policy, emails and internal meetings and interactions	Need basis	<ul style="list-style-type: none"> • Training requirements • Employee well being, health and Safety
Consumers or end users	No	<ul style="list-style-type: none"> • Advertisement, • Digital and social media connect • Website • Phone calls, e-mails and meetings 	Ongoing	<ul style="list-style-type: none"> • Product details • Product pricing • Product feedback • New product development • Better service
Communities	No	CSR projects	Periodically Regularly	<ul style="list-style-type: none"> • healthcare • Education • Mutual rewarding relationship with the Industry / Company • Optimal utilisation of resources sourced locally

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The processes for the consultation between stakeholders and the Board on economic, environmental, and social topics are carried out through the meetings, social media platforms, website disclosures by the Company, newspaper advertisements etc made by the Company from time to time and the inputs / feed back from the stakeholder are also received in one or more similar modes from time to time.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company obtains the feedback of the internal stakeholder to discuss risk and opportunities on Environment, Social & Governance topics. The feedback / consultation received from the stakeholders are discussed by the Management and the same are used by the Company wherever it is feasible to use the same in the best interest of the stakeholders at large.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

There are not stakeholder identified as vulnerable/ marginalized stakeholder groups.

PRINCIPLE - 5 : BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees workers covered (B)	% (B/A)	Total (C)	No. of employees workers covered	% (D/C)
Employees						
Permanent	518	172	33	576	193	34
Other than permanent	-	-	-	-	-	-
Total Employees	518	172	33	576	193	34
Workers						
Permanent	167	77	46	189	63	33
Other than permanent	-	-	-	-	-	-
Total Workers	167	77	46	189	63	33

2. Details of Minimum wages paid to Employees and workers in the following format

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wages		More than Minimum Wages		Total (D)	Equal to minimum wages		More than Minimum Wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	518	0	0	518	100%	576	0	0	576	100%
Male	504	0	0	504	100%	554	0	0	554	100%
Female	14	0	0	14	100%	22	0	0	22	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers (Other than permanent workers should be included)										
Permanent	167	4	2.5%	163	97.60%	189	0	0	189	100%
Male	164	4	2.5%	160	97.5%	178	0	0	178	100%
Female	3	0	0.00	3	100%	11	0	0	11	100%
Other than Permanent	785	332	42.2%	453	57.8%	818	340	42	478	58%
Male	630	177	28%	453	72%	658	183	28%	475	72%
Female	155	155	100%	0	0%	160	157	98%	3	2%

3. Details of remuneration/salary/wages, in the following format:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category Rs. in Lacs	Number	Median remuneration/ salary/ wages of respective category Rs. in Lacs
Board of Directors (BoD)	4	125.00	1	125.00
Key Managerial Personnel	1	32.00	-	-
Employees other than BoD and KMP	499	0.74 /Month	14	0.42
Workers	164	0.27	3	0.20

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**
Yes, Head HR / HR department is responsible for addressing human rights issues, if any.
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
Our employees and workers can write or consult their respective departmental heads or they can approach the Human Resource department of the Company.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil		Nil	Nil	
Discrimination at workplace	Nil	Nil		Nil	Nil	
Child Labour	Nil	Nil		Nil	Nil	
Forced Labour/ Involuntary Labour	Nil	Nil		Nil	Nil	
Wages	Nil	Nil		Nil	Nil	
Other human rights related issues	Nil	Nil		Nil	Nil	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company does not promote nor it tolerates any discrimination or harassment in the Company and the Company works on the principle of no discrimination or no harassment and has adopted the principle of equality at work place.

8. Do human rights requirements form part of your business agreements and contracts?

The Company have included human rights requirements as a part of business agreements / service agreements / Code of conducts and part of policies and procedures. Also to ensure that each employee is aware about the human rights policies , we conduct awareness sessions during the orientation programme of the employees.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Currently, the assessment has not been conducted however we are in the process to establish proper channel of assessment
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

- 1) Through Induction
- 2) Through training / awareness sessions to the existing employees

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
To make human rights policy , mandatory document and take employees acknowledgment on the same
- Details of the scope and coverage of any Human rights due-diligence conducted.
Not Applicable
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Yes
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	NO
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
 - Through Service agreements
 - Through training to value chain partners (Vendors / Contractors)

PRINCIPLE - 6 : Businesses should respect and make efforts to protect and restore the environment**Essential Indicators:**

- Details of total energy consumption (in Giga Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	2124 TJ	2509 TJ
Total fuel consumption (B)	3927 TJ	5861 TJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	6051 TJ	8370 TJ
Energy intensity per Crore rupee of turnover (Total energy consumption/ turnover in Crore rupees)	6.38	7.34

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The company's manufacturing site located at Sanghipuram, Gujarat has identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. The company has completed PAT Cycle-II and achieved energy consumption better than notified targets.

PAT Cycle	Notified Target (TOE/tonne of product)	Achieved Target (TOE/ tonne of product)
PAT Cycle-II (2016-17 to 2018-19)	0.1195	0.1008

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	671085	755737
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	1455628	1891980
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2126713	2647717
Total volume of water consumption (in kilolitres)	889430	1039534
Water intensity per crore rupee of turnover (Water consumed / turnover in crore rupee)	938.41	911.46

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has implemented a mechanism of Zero Liquid Discharge. The water used in the plant for industrial cooling is recycled through cooling towers to ensure effective reuse. To ensure effective water usage, SIL erected a 400 KLD Sewage Treatment Plant (STP) to treat the sewage from the colony. This STP is built on the innovative "Root Zone Treatment technology", which cleans discharged water and makes it safe to use once more for dust control and greenbelt development

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Air emission are monitored regularly to ensure that we are in compliance with the permissible limits of regulatory norms.

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Tonnes	11766	14148
Sox	Tonnes	483	580
Particulate matter (PM)	Tonnes	921	1107
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1428572	1756851
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	60404	451
Total Scope 1 and Scope 2 emissions per Crore rupee of turnover	Matric tonne CO ₂ per Crore INR	1570.96	1540.79
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Tonne CO ₂ per MT Cement	0.772	0.780

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the Company undertakes projects and initiatives to reduce the Scope 1 and Scope 2 GHG emissions. The Company has also declared its commitment to become carbon neutral by 2040 and water neutral by 2035. To achieve these targets, we have implemented series of measures like increase alternative fuels, lower clinker factor, increase blended cement production, energy efficiency, deploying waste heat recovery systems, IT and automation etc.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)		
1. Used Oil	21.65	20.52
2. FO Sludge	2.08	8.25
Other Non-hazardous waste generated (H). Please specify, if any. (Discarded containers)		
1. Refractory	243.71	285.92
2. Kiln Process Dust	22324	29287
Total (A+B + C + D + E + F + G + H)	22591.44	29601.69
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		

Parameter	FY 2022-23	FY 2021-22
Category of waste		
(i) Recycled (H1) – Sold to authorized recycler	243.71	285.92
(ii) Re-used (H2) - As performance improver in Cement	9078	11910
(iii) Other recovery operations	0	0
Total	9321.71	12195.92
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration (G1 & G2) - Used in Kiln as an alternative fuel	23.73	28.77
(ii) Landfilling (H2)	13246	17377
(iii) Other recovery operations	0	0
Total	13269.73	17405.77

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our products do not use any hazardous and toxic chemicals. The company is certified under ISO 14001:2015 and the scope covers its entire operations of cement manufacturing processes. Under the environmental management system, the Company has guidelines for comprehensive waste management for the identification, segregation, collection, recycling and final disposal. Wherever applicable the company follows 6R principles of Rethink, Reduce, Reuse, Recycle, Refuse and Repair for waste management. Awareness sessions are undertaken for the employees who have a role and responsibility towards waste management. Performance is monitored and waste data is collected monthly for analysis.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Sanghipuram, Gujarat	Captive Jetty	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable as the Company has not conducted any environmental impact assessments (EIA) in year 2022-23					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable as SIL is 100% compliant				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	2124 TJ	2509 TJ
Total fuel consumption (E)	3927 TJ	5861 TJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	6051 TJ	8370 TJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – Pre treatment facility comprising Settling cum Dilution chamber and dosing system	1237283	1608183

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	1237283	1608183

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area : Sanghipuram, Lakhpat, Kutch Nature of operations : Cement, Clinker
(ii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	671085	755737
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	1455628	1891980
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	2126713	2647717
Total volume of water consumption (in kilolitres)	4351862	5545321
Water intensity per rupee of turnover (Water consumed / turnover)		
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – Pre treatment facility comprising Settling cum Dilution chamber and dosing system	1237283	1608183

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	1237283	1608183

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	9948	9964
Total Scope 3 emissions per rupee of turnover	Tonne CO ₂ per million INR	1.0496	0.8736

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The facility listed in Question 10 of the Essential Indicators above, is operating near coastal areas coming under CRZ Notification and forest as identified within the EIA study conducted earlier (not in FY23) where Environmental Clearance (EC)/approval and permits as applicable are in place. The significant direct impact as identified in EIA study was on marine biodiversity and pollution load to the nearby settlements, water bodies and forest. All the requisite environmental management plans are in place and implemented. All the regulatory compliance reports are being submitted as mentioned in the EC/Approval terms and conditions. Further, all the applicable Consent to Establish (CTE) and Consent to Operate (CTO) are in place.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Enhancement in utilization of alternative fuel in Clinker plant (usage of other industries waste as fuel)	Installation of additional points of alternative fuel feeding system in preheater	Thermal Substitution increased by 3% subsequent resulted into reduction of GHG emissions

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has established emergency preparedness plans at manufacturing site to deal with the emergency situations. It also provides response procedures for preventing and mitigating the hazard & risk and environmental impacts arising from emergency situations including the provision for first aid. In the event of any occurrence of an emergency, the same shall be investigated and appropriate preventive measures would be initiated to avoid recurrence in future. Relevant information and training related to emergency preparedness and response shall be provided to the interested parties. The duties and responsibilities of all the workers are being communicated periodically. In addition, workforce are continuously trained by carrying out mock drills and disaster management exercises for possible emergency situations.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact reported from any value chain partners. A separate Code of Conduct has been extended to vendors and service providers which covers the need for compliance with environmental regulations, health and safety, labour practices, human rights aspects, minimum wages, freedom of association, collective bargaining, prohibition of child labour and forced and compulsory labour, ethical behaviour, transparency in business processes and environment conservation. All new vendors/ service providers need to sign the Code of conduct as part of the initial engagement process.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

All supply chain partners are required to sign a Code of conduct which covers the need for compliance including environmental regulations. In FY24, the Company intends to assess some supply chain partners for environmental impacts as pilot projects

PRINCIPLE - 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
The Company has affiliated with four trade and industry chambers and associations
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Mineral Industries (FIMI)	National
2	Gujarat Chamber of Commerce & Industry (GCCCI)	State
3	Gujarat Mineral Industry Association (GMIA)	State
4	CAPEXIL	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
There is no action taken or underway against the Sanghi Industries Limited on any issue related to anti-competitive conduct.		

Leadership Indicator

1. Details of public policy positions advocated by the entity.

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others - please specify)	Web Link, if available
The company has approached to the relevant government authorities with the request that Waste Heat Recovery should be considered as renewal source of Energy	Written representation submitted to Ministry of Power / Bureau of Energy Efficiency	No	---	----

PRINCIPLE - 8 : Businesses should promote inclusive growth and equitable development**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable as no any project undertaken by the entity in the current financial year					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable as no any project undertaken by the entity during this reporting period						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has various mechanisms to receive and redress grievance of the community. In plants communities complaints are collected through stakeholder engagement, suggestion box and mail. The communities also follow formal channel and informal channels through CSR teams. The grievance received from community is addressed by the site management involving the industrial and administration department. Any issue which is unresolved or needs management intervention is escalated to the respective director.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	6.94%	10.22%
Sourced directly from within the district and neighbouring districts	93.06%	89.78%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Company undertakes the CSR initiatives in the surrounding locations where it has its business presence. We have not undertaken any CSR projects in aspirational districts

Sr. No.	State	Aspirational District	Amount spent (In INR)
None			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? **(No)**
 (b) From which marginalized /vulnerable groups do you procure? **N.A.**
 (c) What percentage of total procurement (by value) does it constitute? **N.A.**
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
The details are mentioned in report on the CSR which is attached to the Directors' report of the Company			

PRINCIPLE - 9 : Businesses should engage with and provide value to their consumers in a responsible manner**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
- Raised by customer to company officials like sales officer or Technical services Engineers.
 - Raised by channel partner with whom the customer is dealing.
 - Directly from customer to company helpline number given on packaging.
 - Dealer can register through the CRM (Customer Response Management) – portal.
 - By sending an email to customer care services set up at office.
- The complaint is gathered from customer in specific format which captures all details of complaint
- Date of receipt, product type, Mfg. Details like week no., Qty supplied, nature of complaint, application area, weather sample collected for external trial or plant trial, MTC to provide.

Company has proper response mechanism by set up a team of experience civil engineer who are attending complaint within stipulated time frame (around 48 hrs) identifying root cause of the problem, finding shared with customer , by technical guidance of use of product and complaint brought to closure.

If issues found at the product level, plant is involved at every step so that similar issues do not occurs in future.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Name of Product	As a percentage to total turnover
OPC54/43	66
PPC	33
PSC	01

Environmental and social parameters relevant to the product	All necessary information as per regulatory requirements as disclosed on all our products
Safe and responsible usage recycling and /or safe disposal	Information on cement bags are governed as per BIS.

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	26	0		27	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/ No)** If available, provide a web-link of the policy.

Yes

<https://www.sanghiment.com/wp-content/uploads/PrivacyPolicy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Since there are no complaints related to above concerns. however, we always strive to ensure the best quality products are delivered to our customers and ensures all feedback from our stakeholders in considered in our business processes.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). - [https:// www.sanghiment.com/](https://www.sanghiment.com/)
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
 - On – site service for concrete testing through technical mobile van.
 - Site training program to educate consumer of good construction practices.
 - To educate mason/contractors good construction practices through contractor/
 - Mason meets.
 - Product usage tips released through social media.
 - Continuous training by technical services Engineer team safe and responsible usage of product during site visit.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
None of our products are classified as essential services, hence it is not applicable
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.
Yes, we follow BIS regulations for the product packaging and information to be contained in the product packaging.
Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
Yes, we carry out customer satisfaction survey through our Customer Satisfaction Index team, which gathers feedback from our stakeholders, it was conducted in FY22-23.
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact : **NIL**
 - b. Percentage of data breaches involving personally identifiable information of customers : **NIL**

For and on behalf of the Board

Place : Ahmedabad
Date : 17th May, 2023

Ravi Sanghi
Chairman & Managing Director
(DIN: 00033594)

Independent Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,
The Members of
Sanghi Industries Limited.

1. This certificate is issued in accordance with the terms of our engagement letter dated October 9, 2022.
2. We have examined the compliance of conditions of Corporate Governance by Sanghi Industries Limited ('the Company') for the year ended 31st March, 2023 as stipulated in regulations 17 to 27, clause (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Guideline stipulated in the Listing Regulations

Auditor's Responsibility

4. Our examination is limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2023
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. 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:000478N

Place: Delhi
Date: 17th May 2023

CA Jyoti Bagga
(Partner)
M. No.: 087002
UDIN: 23087002BGLIZPF4972

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, 2023, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Loss 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 Auditors' 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 audit opinion on the Financial Statements.

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 for the financial year ended March 31, 2023. 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. For the matter below, our description of how our audit addressed the matter is provided in that context.

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	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

		the residual value of property, plant and equipment annually.	<p>Review of the internal assessment done by the management and independent opinion obtained by the management.</p> <p>Assessment of appropriateness of disclosures provided in the Financial Statements.</p>
2.	Contingent	<p>There are a number of litigations pending before various forums against the Company and the management's judgment is required for estimating the amount to be disclosed as contingent liability.</p> <p>We identified this as a key audit matter because the estimates on which these amounts are based involve a significant degree of management judgment in interpreting the cases and it may be subject to management bias.</p>	<p>We have obtained an understanding of the Company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> - understood and tested the design and operating effectiveness of controls as established by the management for obtaining all relevant information for pending litigation cases; - discussed with the management regarding any material developments thereto and latest status of legal matters; - read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed substantive procedures on calculations supporting the disclosure of contingent liabilities; - examined management's judgements and assessments in respect of whether provisions are required; - considered the management assessments of those matters that are not disclosed as contingent liability since the probability of material outflow is considered to be remote. - reviewed the adequacy and completeness of disclosures; <p>Based on the above procedures performed, the estimation and disclosures of contingent liabilities are considered to be adequate and reasonable.</p>

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Corporate Governance Report, and the information included in the Directors' Report including Annexures, Management Discussion and Analysis, Business Responsibility and Sustainability Report and other company related information (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.

Auditors' 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 auditors' 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 with reference to financial statements 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 auditors' 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 auditors' 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, 2023 and are therefore the key audit matter. We describe these matters in our auditors' 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, 2020 ("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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to the Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditors' 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 and as represented by the management:

- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 36 to the financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts 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, 2023.
- iv) (a) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid any dividend during the current year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Gaurav Jain
Partner
Membership Number: 129439
UDIN: 23129439BGXZQG4601

Place : Mumbai
Date : May 17, 2023

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

Jyoti Bagga
Partner
Membership Number: 087002
UDIN: 23087002BGWIOV7198

Place : New Delhi
Date : May 17, 2023

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) In respect of its Property, Plant and Equipment and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.
 - (B) The Company does not have Intangible Assets, therefore reporting under this clause is not applicable.
 - b) As explained to us, Property, Plant & Equipment and right-of-use 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. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
 - c) According to the information and explanations given to us and the records examined by us, title deeds in respect of immovable properties disclosed as Property, Plant & Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are in the name of the Company as at the balance sheet date.
 - d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year. The Company does not have Intangible Assets during the year.
 - e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, quarterly returns and statements, comprising stock statements, book debt statements, Trade payable and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company except as disclosed below. (Also Refer Note No. 51 to the financial statements):

(Rs. in Crores)

Particulars of Securities provided	For the quarter ended	Amount as per unaudited books of account	Amount as reported in the quarterly returns and statements	Amount of difference
Inventories & Trade Receivables	June 2022	448.60	446.23	-2.37
	September 2022	384.16	409.52	25.36
Trade Payables(*)	December 2022	411.60	398.29	-13.31
	March 2023	348.06	360.81	12.75
Trade Payables(*)	June 2022	96.36	95.11	-1.25
	September 2022	71.60	69.36	-2.24
	December 2022	170.27	161.94	-8.33
	March 2023	190.54	174.67	-15.87

*Excluding amount payables for post-production activities, project and long term Trade Payables as per the consistent practice followed by the company and accepted by its lender.

- iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not made investment or provided any guarantee or security or has not granted any advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities. Hence reporting under clause 3 (iii) (a), (b), (c), (d) (e) and (f) of the Order are not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and accordingly the compliance under Section 185 and 186 of the Act is not applicable and hence reporting under clause 3 (iv) of the Order is not applicable to the Company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be 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 clause 3 (v) of the Order is not applicable to the Company.
- vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate
- vii) In respect of Statutory dues :
- a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues as applicable to appropriate authorities except dues towards Goods & Service Tax, employees' state insurance, income tax and electricity duty are deposited late by the company & such delay ranges from 1 to 135 days and further dues related to Income tax amounting to Rs. 3.63 crore and dues of electricity duty amounting to Rs. 1.74 crore are yet to be deposited by the company on the date of audit report. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as March 31, 2023 for a period of more than six months from the date they became payable, except Electricity duty dues of Rs. 0.90 crore.

- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute, except for the items set out as below:

Name of Statute	Nature of Dues	Disputed Amount (Rs. in Crore)	Pre Deposit (Rs in crore)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	57.59	41.33	Various years	Customs, Excise & service tax Appellate Tribunal
Service Tax The Finance Act, 1994	CENVAT Credit	4.08	0.50	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	1.76	Various years	Joint Commissioner Appeal, Rajkot
GST	GST Compensation Cess	2.28	2.28	2017-18 2018-19 and 2020-21	Dy. Commissioner (Appeals) of Gujarat GST and Gujarat High Court
The Gujarat Land Revenue Code	Land Revenue	1.17	-	Various years	Gujarat High Court
Gujarat Water Supply and Sewerage Board Act, 1978	Water Charges	26.38	-	2012-13 to 2015-16	Gujarat High Court
Electricity Duty Act	Electricity Duty	3.30	-	2005-2006	Ahmedabad High Court

- viii) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- xi) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, and according to the information and explanations given and records examined by us, the money raised by way of term loans during the year have been applied, prima facie, for the purpose for which they were obtained.
- d) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at year end i.e. March 31, 2023, we report that short-term funds to the extent of Rs. 150.33 crores have been used for long-term purposes.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, Company do not have any subsidiaries, associates

- or joint ventures and hence, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company do not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Order is not applicable to the Company.
- b) In our opinion, and according to the information and explanations given to us, the company has issued private placement of Equity Shares on preferential basis and also Issued Privately Placed Non-convertible Debentures during the year and has complied with requirements of Section 42 and 62 of the Companies Act 2013, respectively. In our opinion and according to the explanations given to us the money raised by way of Private Placement of Equity Shares and Privately Placed Non-convertible Debentures were applied for the purposes for which they were raised. Further as on March 31, 2023, funds amounting to Rs. 0.52 crore are pending to be utilized in respect of funds raised by way of private placement of Equity Shares.
- xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section 12 of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this audit report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and accordingly, provisions of clause 3(xi) c of the order are not applicable.
- xii) In our opinion company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- 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 Companies Act.
- xvi) a) In our Opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) of the Order is not applicable.
- b) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) and 3(vi)(d) of the Order are not applicable
- xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the current financial year amounting to Rs. 232.32 crore and there was no cash losses in the immediately preceding financial year.

- xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3(xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management business plans, promoters undertaking to infuse funds, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) With respect to CSR contribution under section 135 of the Act:
- a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.
- b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

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

Gaurav Jain
Partner
Membership Number: 129439
UDIN: 23129439BGXZQG4601

Place : Mumbai
Date : May 17, 2023

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

Jyoti Bagga
Partner
Membership Number: 087002
UDIN: 23087002BGWIOV7198

Place : New Delhi
Date : May 17, 2023

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 with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to the financial statements of Sanghi Industries Limited (“the Company”) as of March 31, 2023 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 with reference to financial statements 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to 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 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to 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 auditors’ 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 with reference to Financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company’s internal financial control with reference to 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 with reference to 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Financial Statements, 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.

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

Firm's Registration No: 101720W/W100355

Gaurav Jain

Partner

Membership Number: 129439

UDIN: 23129439BGXZQG4601

Place : Mumbai

Date : May 17, 2023

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

Firm's Registration No: 000478N

Jyoti Bagga

Partner

Membership Number: 087002

UDIN: 23087002BGWIOV7198

Place : New Delhi

Date : May 17, 2023

BALANCE SHEET AS AT 31 MARCH 2023

INR in crores

Particulars	Note	31 March 23	31 March 22
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	3,117.30	3,163.07
(b) Capital work in progress	2	42.21	42.21
(c) Deferred tax assets (net)	3	36.94	36.94
(d) Other non current assets	4	10.96	10.04
Total non current assets		3,207.41	3,252.26
2 Current assets			
(a) Inventories	5	296.33	323.79
(b) Financial Assets			
(i) Trade receivables	6	51.72	92.67
(ii) Cash and cash equivalents	7	0.92	0.14
(iii) Bank balances other than Cash and Cash Equivalent	8	55.50	45.59
(iv) Other financial assets	9	29.46	29.57
(c) Other current assets	10	68.37	75.58
Total current assets		502.30	567.34
TOTAL ASSETS		3,709.71	3,819.60
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	258.33	251.00
(b) Other Equity	12	1,300.80	1,583.23
Total Equity		1,559.13	1,834.23
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,350.70	1,008.51
(ii) Lease Liabilities	14	15.80	17.15
(iii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	15	0.00	0.00
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	15	0.00	78.10
(iii) Other financial liabilities	16	92.27	53.69
(b) Provisions	17	34.69	35.35
Total non current liabilities		1,493.46	1,192.80
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	179.99	369.80
(ii) Lease Liabilities	18	1.78	1.26
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	19	2.00	0.03
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	19	338.10	270.69
(iii) Other financial liabilities	20	48.70	48.41
(b) Deferred Revenue	21	5.19	4.78
(c) Other current liabilities	22	61.90	78.84
(d) Provisions	23	19.46	18.76
Total current liabilities		657.12	792.57
Total liabilities		2,150.58	1,985.37
TOTAL EQUITY AND LIABILITIES		3,709.71	3,819.60
Significant Accounting Policies	1		
The accompanying notes 1 to 53 are an integral part of the Financial Statements			

As per report of even date

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

Gaurav Jain
Partner
M. No.: 129439

Place : Ahmedabad
Date : 17th May, 2023

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

Jyoti Bagga
Partner
M. No. 087002

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
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
G.M. Yadwadkar - Independent Director
Sudhir Nanavati - Independent Director
Anil Agrawal - Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

INR in crores

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Sale of Products (Refer Note 42)		924.50	1,122.69
Other Operating Income		3.86	6.73
I. Revenue from Operations		928.36	1,129.42
II. Other income	24	19.45	11.10
III. Total Income (I+II)		947.81	1,140.52
IV. Expenses			
Cost of materials consumed	25	63.02	61.21
Purchases of Stock in Trade		10.71	29.62
Changes in inventories of finished goods and work-in-progress	26	(52.35)	(17.52)
Power and fuel		470.21	408.54
Employee Benefits Expense	27	63.83	66.44
Selling Expenses	28	259.55	284.51
Finance costs	29	238.17	81.96
Depreciation and Amortization Expenses	30	93.38	64.17
Other Expenses	31	126.99	104.84
Total Expenses (IV)		1,273.51	1,083.77
V. Profit before Exceptional Items and Tax (III – IV)		(325.70)	56.75
Exceptional Items		-	-
VI. Profit before Tax		(325.70)	56.75
VII. Tax expense:			
1. Current tax		-	-
2. Current tax adjustments of earlier years		-	1.53
3. Deferred tax	3	-	14.60
VIII. Profit for the year (VI – VII)		(325.70)	40.62
IX. Other comprehensive income	32		
A I) Items that will not be reclassified to profit or loss		0.60	(0.18)
II) Income tax related to items that will not be reclassified to profit or loss		-	0.05
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		-	-
Total Other comprehensive income for the year		0.60	(0.13)
X.. Total comprehensive income for the year		(325.10)	40.49
XI. Earnings per equity share	33		
1. Basic		(12.88)	1.62
2. Diluted		(12.88)	1.62
Significant Accounting Policies	1		
The accompanying notes 1 to 53 are an integral part of the Financial Statements			

As per report of even date

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

Gaurav Jain
Partner
M. No.: 129439

Place : Ahmedabad
Date : 17th May, 2023

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

Jyoti Bagga
Partner
M. No. 087002
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
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
G.M. Yadwadkar - Independent Director
Sudhir Nanavati - Independent Director
Anil Agrawal - Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crores)

	31.3.2023	31.3.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax as per Statement of Profit and Loss	-325.70	56.75
Adjustments for:		
Depreciation and amortisation	93.38	64.17
Loss/Profit on sale of Property, Plant and Equipment	-9.43	-0.64
Interest Income	-1.84	-1.48
Foreign Exchange (gain)/loss	0.57	0.38
Interest and other Financial Charges	238.17	81.96
Operating Profit before Working Capital Changes	-4.85	201.14
Adjustments for:		
(Increase)/Decrease in Inventories	-37.77	27.29
(Increase)/Decrease in Trade Receivable	41.05	-43.69
(Increase)/Decrease in Other Current and Non Current Assets and Loans and Advances	0.18	25.60
Increase/(Decrease) in Trade Payable	-9.03	210.99
Increase/(Decrease) in Other Current and Non-Current Liabilities and Provisions	-14.04	-18.13
Cash Generated from Operations	-24.46	403.20
Income Taxes (paid) / Refund	-0.69	-1.10
Net Cash flow from / (used in) Operating Activities	-25.15	402.10
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Addition of Property, Plant and Equipment and Capital Work-In-Progress (Net)	-16.87	-293.47
Proceeds from disposal of Property, Plant and Equipment and Capital Work-In-Progress	54.00	6.95
Withdrawal/(Investment) in Fixed Deposit with Banks	-9.91	-13.70
Interest Received	1.95	1.82
Net Cash Flow from / (used in) Investing Activities	29.17	-298.40
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares	50.00	-
(Repayment) / Receipt of short term borrowings	-104.78	-3.25
Receipts of Long term borrowings	500.00	24.45
Repayment of long term borrowings	-248.98	-46.04
Interest and other Financial Charges	-199.48	-79.87
Net Cash Flow from / (used in) Financing Activities	-3.24	-104.71
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	0.78	-1.01
Cash and Cash equivalents (Opening Balance)	0.14	1.15
Cash and Cash equivalents (Closing Balance)	0.92	0.14
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	0.11	0.14
Bank Balances	0.81	0.00
Cash and Cash Equivalents (Refer Note No. 7)	0.92	0.14

As per report of even date

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

Gaurav Jain
Partner
M. No.: 129439

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

Jyoti Bagga
Partner
M. No. 087002

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
S. Balasubramanian	- Independent Director
Arvind Agarwal	- Independent Director
Raina Desai	- Independent Director
G.M. Yadwadkar	- Independent Director
Sudhir Nanavati	- Independent Director
Anil Agrawal	- Company Secretary

Place : Ahmedabad
Date : 17th May, 2023

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDING 31 MARCH 2023

(INR in Crores)

A. Equity Share Capital		
Balance as at 31st March 2022		251.00
Change during the year 2022-23		7.33
Balance as at 31st March 2023		258.33
Balance at 31 March, 2021		251.00
Change during the year 2021-22		0.00
Balance as at 31st March 2022		251.00

B. OTHER EQUITY					
Particulars	Reserves & Surplus				Total
	Security Premium	Capital redemption reserve	Retained earnings	Other Comprehensive Income	
Balance at 31 March, 2022	409.34	84.84	1,089.14	-0.10	1,583.23
Additions:					
Loss for the year	-	-	(325.70)		(325.70)
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-		0.60	0.60
Issue of Share capital	42.67				42.67
Total -	42.67	-	(325.70)	0.60	(282.43)
Balance at 31 March, 2023	452.01	84.84	763.44	0.50	1,300.80
Balance at 31 March, 2021	409.34	84.84	1,048.52	0.03	1,542.74
Additions:					
Profit for the year	-	-	40.62		40.62
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-		(0.13)	(0.13)
Total -	-	-	40.62	(0.13)	40.49
Balance at 31 March, 2022	409.34	84.84	1,089.14	(0.10)	1,583.23

As per report of even date

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

Gaurav Jain
Partner
M. No.: 129439

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

Jyoti Bagga
Partner
M. No. 087002

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
S. Balasubramanian - Independent Director
Arvind Agarwal - Independent Director
Raina Desai - Independent Director
G.M. Yadwadkar - Independent Director
Sudhir Nanavati - Independent Director
Anil Agrawal - Company Secretary

Place : Ahmedabad
Date : 17th May, 2023

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 May 17, 2023.

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 contracts 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 following cases, where the useful life and residual value is taken based on technical report received from Chartered Engineer and as approved by the management. Cement manufacturing plant is considered as continuous process plant:

Nature of Assets	Useful life and Residual value
Plant & Machinery	30 to 50 Years and Residual Value 5 to 10%
Civil Structure	30 to 60 years

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

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 contract 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

Financial Instruments The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair values on initial recognition, except for trade receivables which are initially measured at transaction price.

1. Financial assets

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 uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks of foreign currency loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

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 recognized using the balance sheet method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they materialize, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against the current tax liabilities, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity, respectively.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profits will be available in future to allow all or part of deferred tax assets to be utilized.

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 equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and shortterm 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 contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

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:

- A. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- B. Held primarily for the purpose of trading;
- C. Expected to be realised within twelve months after the reporting period, or
- D. 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:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period 169;

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.
- v. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**
The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.
- i) **Recoverability of trade receivables:**
Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.
- ii) **Provisions:**
Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.
- iii) **Impairment of financial assets and non-financial assets:**
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.
- iv) **Recognition of Deferred tax assets and liabilities:**
Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.
- v) **Fair value measurement:**
For estimates relating to fair value of financial instruments refer note 34 of financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 2 - Property, Plant and Equipment:

Current Year

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	As on 1st April 2022	Additions	Disposals / Adjustments	As on 31st March 2023	Upto 31.03. 2022	Charge for the year	Disposals / Adjustments	As on 31st March 2023	W.D.V as on 31st March 2023	W.D.V as on 31st March 2022
Own Assets										
Freehold land	332.67	-	-	332.67	0.00	-	-	-	332.67	332.67
Building	561.54	0.39	-	561.93	87.03	11.32	-	98.36	463.57	474.50
Leasehold Improvements	4.87	-	-	4.87	1.55	0.48	-	2.03	2.85	3.32
Plant and Equipment	3,521.93	90.87	55.35	3,557.44	1,206.92	75.36	10.99	1,271.30	2,286.14	2,315.00
Furniture and Fixtures	23.23	-	-	23.22	12.09	0.19	-	12.28	10.94	11.14
Vehicles	18.99	-	4.01	14.98	13.94	1.48	3.81	11.61	3.37	5.05
Office Equipment	2.59	-	-	2.59	2.25	0.01	-	2.26	0.33	0.34
Electrical Installations	57.57	-	-	57.57	56.01	1.24	-	57.25	0.32	1.56
Laboratory Equipment	2.25	-	-	2.26	1.75	0.14	-	1.90	0.37	0.50
Computers	6.40	0.10	-	6.52	5.30	0.67	-	5.97	0.55	1.10
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	0.00	0.00
Temple	0.03	-	-	0.03	0.00	-	-	-	0.03	0.03
Sub-total	4,532.17	91.36	59.37	4,564.17	1,386.95	90.91	14.80	1,463.06	3,101.14	3,145.22
Right of Use Assets										
Building	15.58	0.80	1.20	15.18	2.96	1.08	1.20	2.84	12.34	12.62
Plant & Machinery	6.96	-	-	6.96	1.74	1.39	-	3.13	3.83	5.22
Sub-total	22.55	0.80	1.20	22.14	4.70	2.48	1.20	5.97	16.17	17.85
TOTAL	4,554.72	92.16	60.57	4,586.32	1,391.65	93.38	16.00	1,469.03	3,117.30	3,163.07
Capital work-in-progress	42.21	-	-	42.21	-	-	-	-	42.21	42.21
TOTAL	4,596.93	92.16	60.57	4,628.53	1,391.65	93.38	16.00	1,469.03	3,159.51	3,205.28

Notes :

- It includes INR 4.78 Crore Borrowing cost capitalised during FY 2022-23 (FY 2021-22 INR 93.35 Crore)
- Refer Note 13 regarding information for Assets Hypothication/ Pledged for Borrowings
- Refer Note 36 regarding Capital Commitment for Property, Plant & Equipment
- Refer Note 45 regarding accounting of leases

5. Ageing of Capital Work in Progress as on 31.03.2023

INR in crores

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Project in progress	-	-	-	-	-
Projects temporarily suspended (*)	0	0.02	0.12	42.07	42.21
Total	-	0.02	0.12	42.07	42.21

* Above CWIP pertains to land purchased amounting to INR 37.61 crores and advance for equipment for setting up a grinding unit at Surat for which requisite approval for project is pending from authorities.

6. Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2023:

INR in crores

CWIP	To be completed in			
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years
Cement Grinding Unit at Surat	-	-	42.21	-

**Note - 2 - Property, Plant and Equipment:
Previous Year**

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	As on 1st April 2021	Additions	Disposals / Adjustments	As on 31st March 2022	Upto 31.03. 2021	Charge for the year	Disposals / Adjustments	As on 31st March 2022	W.D.V as on 31st March 2022	W.D.V as on 31st March 2021
Own Assets										
Freehold land	332.36	0.31	-	332.67	-			-	332.67	332.36
Building	175.11	386.43	-	561.54	82.03	5.15	0.14	87.03	474.50	93.08
Leasehold Improvements	4.87	-	-	4.87	1.07	0.48	-	1.55	3.32	3.81
Plant and Equipment	2,336.14	193.99	8.20	3,521.93	1,159.50	51.95	4.53	1,206.92	2,315.00	1,176.64
Furniture and Fixtures	23.28	-	0.05	23.23	11.07	1.06	0.04	12.09	11.14	12.22
Vehicles	21.65	0.10	2.76	18.99	14.96	1.65	2.67	13.94	5.05	6.69
Office Equipment	2.67	0.01	0.09	2.59	2.12	0.22	0.09	2.25	0.34	0.55
Electrical Installations	115.22	-	57.65	57.57	110.42	0.66	55.07	56.01	1.56	4.80
Laboratory Equipment	2.12	0.13	0.00	2.25	1.55	0.20	-	1.75	0.50	0.57
Computers	10.10	0.40	4.10	6.40	9.09	0.31	4.10	5.30	1.10	1.01
Fire Fighting Equipments	0.10	-	-	0.10	0.10	0.00	-	0.10	0.00	0.00
Temple	0.03	-	-	0.03	-	0.00	-	-	0.03	0.03
Sub-total	3,023.66	1,581.36	72.85	4,532.17	1,391.90	61.69	66.65	1,386.95	3,145.22	1,631.76
Right of Use Assets										
Building	15.58	-	-	15.58	1.87	1.09	-	2.96	12.62	13.71
Plant & Machinery	6.96	-	-	6.96	0.35	1.39	-	1.74	5.22	6.62
Sub-total	22.55	-	-	22.55	2.22	2.48	-	4.70	17.85	20.33
TOTAL	3,046.21	1,581.36	72.85	4,554.72	1,394.13	64.17	66.65	1,391.65	3,163.07	1,652.08
Capital work-in-progress	1,337.84	217.48	1,513.11	42.21	-	-	-	-	42.21	1,337.84
TOTAL	4,384.05	1,798.84	1,585.96	4,596.93	1,394.13	64.17	66.65	1,391.65	3,205.28	2,989.93

Notes :

- It includes INR 93.35 Crore Borrowing cost capitalised during FY 2021-22 (FY 2020-21 INR 91.73 Crore)
- Refer Note 13 regarding information for Assets Hypothecation/ Pledged for Borrowings
- Refer Note 36 regarding Capital Commitment for Property, Plant & Equipment
- Refer Note 45 regarding accounting of leases

5. Ageing of Capital Work in Progress as on 31.03.2022

INR in crores

CWIP	Amount of CWIP for a period of				
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Project in progress	0.02	0.12	13.03	29.04	42.21
Projects temporarily suspended	0	0	0	0	-
Total	0.02	0.12	13.03	29.04	42.21

6. Details of capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2022:

INR in crores

CWIP	To be completed in			
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years
Cement Grinding Unit at Surat	-	-	42.21	-

Note - 3 - Deferred tax Assets / (Liabilities):

INR in crores

Component of Deferred Tax Assets (Net) is produced as under:

Particulars	As at 31 Mar 23	As at 31 Mar 22
Deferred tax Assets (DTA)		
Unabsorbed depreciation	245.99	115.07
Others	93.38	147.54
Total Deferred tax Assets (DTA)	339.37	262.61
Deferred tax Liabilities (DTL)		
Difference between Tax Depreciation & Book Depreciation	(298.95)	(225.67)
Deferred tax Liabilities (DTL)	(298.95)	(225.67)
Net deferred tax Assets	40.42	36.94
Total Deferred tax Assets (A + B)	40.42	36.94

Note - 3.1

The Company has deferred tax asset in the form of Unabsorbed Depreciation/ Other disallowances under Income Tax Act. The Company has recognised deferred tax asset of Rs 36.94 crore in the books of accounts upto last year. As matter of prudence, additional deferred tax asset has not been recognised in the books of accounts for the year.

INR in crores

Particulars	As at 31 Mar 23	As at 31 Mar 22
Note - 4		
Other Non Current assets:		
Unsecured, considered good		
Capital Advances	8.06	7.83
Advance Income tax/TDS/TCS	2.90	2.21
Total	10.96	10.04
Note - 5		
Inventories:		
Raw Materials	10.14	9.68
Fuel Stock	27.22	34.81
Work-in-progress	10.51	3.40
Finished goods	101.29	56.05
Stores, spares and components (including packing material)	147.18	219.85
Total	296.33	323.79

Refer Note 13 regarding information for Hypothication / Pledge of Inventory or Borrowings

Refer Note 1 (K) for valuation of Inventory

INR in crores

Particulars	As at 31 Mar 23	As at 31 Mar 22
Note - 6		
Trade Receivables:		
Unsecured, Considered Good		
From related parties	-	-
From others	52.10	93.09
Less : Allowance for Expected Credit Loss	(0.38)	(0.42)
	51.72	92.67

Refer Note 13 regarding information for Hypothication / Pledge of Trade Receivables for Borrowings

Trade Receivables Ageing as at 31st March 2023:

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year Total	> 3 year	
Undisputed Trade receivables - considered good	49.28	0.40	0.63	0.24	0.37	0.85	51.78
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	0.07	-	0.25	0.32
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	49.28	0.40	0.63	0.31	0.37	1.10	52.10
Less : Provision for ECL	-	(0.01)	(0.03)	(0.03)	(0.04)	(0.27)	(0.38)
Total	49.28	0.39	0.60	0.28	0.33	0.83	51.72

Trade Receivables Ageing as at 31st March 2022:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 year	2-3 year Total	> 3 year	
Undisputed Trade receivables - considered good	90.19	0.20	0.61	0.37	0.46	0.94	92.77
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	0.07	-	-	0.25	0.32
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	90.19	0.20	0.68	0.38	0.46	1.19	93.09
Less : Provision for ECL	-	(0.01)	(0.03)	(0.04)	(0.05)	(0.30)	(0.42)
Total	90.19	0.19	0.65	0.34	0.41	0.89	92.67

INR in crores

Particulars	As at 31 Mar 23	As at 31 Mar 22
Note - 7		
Cash and Cash Equivalent:		
Balances with banks		
In current accounts	0.81	0.00
Cash in hand	0.11	0.14
Total	0.92	0.14
Note - 8		
Bank balances other than Cash and Cash Equivalent:		
Margin money *	55.50	45.59
Total	55.50	45.59
* Margin Money represents security deposited against borrowings / Non funded exposures from banks / financial institutions		
Note - 9		
Other Financial assets:		
Unsecured, Considered Good		
Security Deposits	29.46	29.57
Total	29.46	29.57
Note - 10		
Other Current assets:		
Unsecured, Considered Good		
Advances to employees	0.27	0.47
Advance to suppliers and contractors	14.99	8.34
Deposit with Government Department (Refer note – 36)	46.54	47.42
Others	6.56	19.35
Total	68.36	75.58

INR in crores

Note - 11 - Share Capital:

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	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	258,326,000	258.33	251,000,000	251.00
		258.33		251.00
Subscribed and Fully paid up share capital				
Equity shares of INR 10/- each Fully paid Up	258,326,000	258.33	251,000,000	251.00
	258,326,000	258.33	251,000,000	251.00
Total share capital	258,326,000	258.33	251,000,000	251.00

Notes (1) During the year company has issued 73,26,000 Equity Shares of the face value of Rs. 10 only per Equity Share, at a price of Rs. 68.25 per Equity Share (including premium of Rs. 58.25 per Equity Share), aggregating up to Rs. 50 crores by way of private placement on preferential basis to M/s Thinkfar Tradelink Private Limited, Promoter Group Entity. Out of the above proceeds fund amounting to Rs. 0.52 crores are pending to be utilised as on 31st March 2023 and the same is held in company current account.

Note (2) : The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting period	251,000,000	251.00	251,000,000	251.00
Changes in equity share capital during the year.	73,26,000	7.33	-	-
Balance at the end of the reporting period	258,326,000	258.33	251,000,000	251.00

Notes :

A. Terms, Rights and restrictions attached to 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	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of shares	% of Total paid up Equity Share Capital	No. of shares	% of Total paid up Equity Share Capital
Equity shares				
Samruddhi Investors Services Private Limited	61,533,791	23.82	61,533,791	24.52
Ravi Sanghi	49,869,750	19.30	49,869,750	19.87
	111,403,541	43.14	111,403,541	44.39

INR in crores

Note - 11 - Share Capital: (Contd.....)

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. Shareholding of Promotors

Promoter Name	31 Mar 23		31 Mar 22		% change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Sri Ram Sharan Sanghi	187,000	0.07%	187,000	0.07%	0.00
Sri Ravi Sanghi	49,869,750	19.30%	49,869,750	19.87%	-0.57
Sri Gireesh Sanghi	1,342,478	0.52%	1,342,478	0.53%	-0.01
Smt. Kamala Rani Sanghi	140,250	0.05%	140,250	0.06%	-0.01
Smt. Anita Sanghi	1,020,200	0.39%	1,020,200	0.41%	-0.02
Smt. Alka Sanghi	1,074,150	0.42%	1,074,150	0.43%	-0.01
Ms. Ekta Sanghi	343,750	0.13%	343,750	0.14%	-0.01
Ms. Aarti Sanghi	343,750	0.13%	343,750	0.14%	-0.01
Sri Gireesh Sanghi HUF	7,866,000	3.04%	7,866,000	3.13%	-0.09
Sri Aditya Sanghi	8,892,500	3.44%	8,892,500	3.54%	-0.10
Sri Alok Sanghi	8,892,500	3.44%	8,892,500	3.54%	-0.10
Sri Ashish Sanghi	2,639,710	1.02%	2,639,710	1.05%	-0.03
Sri Gaurav Sanghi	2,647,300	1.02%	2,647,300	1.05%	-0.03
SZF Private Limited	6,884,000	2.66%	6,884,000	2.74%	-0.08
Sanghi Threads Private Limited	1,754,000	0.68%	1,754,000	0.70%	-0.02
Sanghi Filaments Private Limited	2,287,500	0.89%	2,287,500	0.91%	-0.02
Sanghi Poly Zips Private Limited	1,482,500	0.57%	1,482,500	0.59%	-0.02
Sanghi Synthetics Private Limited	1,675,000	0.65%	1,675,000	0.67%	-0.02
Alpha Zippers Private Limited	1,675,000	0.65%	1,675,000	0.67%	-0.02
Fancy Zippers Private Limited	1,468,750	0.57%	1,468,750	0.59%	-0.02
Balaji Zippers Private Limited	2,775,000	1.07%	2,775,000	1.11%	-0.04
SKK Zippers Private Limited	3,575,000	1.38%	3,575,000	1.42%	-0.04
Maruti Fastners Private Limited	1,468,750	0.57%	1,468,750	0.59%	-0.02
Sanghi Polymers Private Limited	4,700,000	1.82%	4,700,000	1.87%	-0.05
Samruddhi Investors Services Private Limited	61,533,791	23.82%	61,533,791	24.52%	-0.70
Flarezeal Solutions LLP	4,000,000	1.55%	0	0.00%	+1.55
Thinkfar Tradelink Private Limited	7,326,000	2.84%	0	0.00%	+2.84
Total	187,864,629	72.72%	176,538,629	70.33%	+2.39

During the year under review, the company has allotted 73,26,000 Equity Shares of Facevalue of Rs.10/- each under preferential allotment to Promoter Group entity and therefore the overall paid-up Equity Shares has been increased from 25,10,00,000 to 25,83,26,000 & accordingly the promoter shareholding got diluted. There is no change in absolute Number of shares held by them.

INR in crores

Note - 12 - Other Equity

Particulars	As at 31 Mar 23	As at 31 Mar 22
Security Premium		
Opening Balance as per last accounts	409.34	409.34
Addition during the year (Refer Note 11.1)	42.67	-
Utilised during the year	-	-
Closing Balance	452.01	409.34
Capital Redemption Reserve		
Opening Balance as per last accounts	84.84	84.84
Addition during the year	-	-
Closing Balance	84.84	84.84
Retained Earnings		
Opening Balance as per last accounts	1,089.14	1,048.52
Profit / Loss for the year	(325.70)	40.62
Closing Balance	763.44	1,089.14
Other Comprehensive Income		
Opening Balance as per last accounts	(0.10)	0.03
Movement in OCI (Net) during the year	0.60	(0.13)
Closing Balance	0.50	-0.10
Total Other Equity	1,300.80	1,583.23

Description of Reserve

Security Premium

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

Capital Redemption Reserve

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

INR in crores

Note - 13 - Financial Liabilities : Borrowings:

Particulars	As at 31st March, 23			As at 31st March, 22		
	Non-Current	Current	Current Maturities of Long Term Borrowings	Non-Current	Current	Current Maturities of Long Term Borrowings
a) Working Capital Loans						
Secured – From Banks ¹	-	175.50	0.00	-	280.28	0.00
b) Term Loans						
Secured – From Banks ¹	329.10	-	4.41	416.16	-	63.21
Secured – From Others ²	239.00	-	0.08	285.90	-	26.31
c) Loan from related party						
Unsecured ³	7.51	-	0.00	7.18	-	-
d) Debentures (Secured)						
15% Listed Redeemable, Non-convertible Debentures of INR 10,00,000/- each ⁴	275.09	-	0.00	299.27	-	-
12% Unlisted, Redeemable, Non-convertible Debentures of INR 10,00,000/- each ⁵	500.00	-	0.00	0.00	-	-
TOTAL	1,350.70	175.50	4.49	1,008.51	280.28	89.52

Details of Short term Borrowings	31.03.2023	31.03.2022
Current Borrowings	175.50	280.28
Current Maturities of Long term Borrowings	4.49	89.52
Total	179.99	369.80

Disclosures on borrowings for March 2023

Loan	Security	Repayment terms	As at 31st March, 23		
			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 9.65% to 13.75 %	Repayable on demand.	-	175.50	-
Term Loans	First Pari-passu Charge on PPE. The rate of interest is 9.95 %	Repayable from April 2019 to October 2024.	23.83	-	-
	First exclusive charge on Ship Loader. The rate of interest is 8.21%	Repayable from June 2021 to March 2026.	1.81	-	0.80
	First Pari-passu Charge on PPE. The rate of interest ranges from 9.75% to 11.95%	32 quarterly instalments starting from Oct '2022 Qtr	302.64	-	2.68
	Hypothecation of cars	Equated Monthly installments.	0.83	-	0.93
2. Loan from Others	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.35	-	0.08
	First Pari-passu Charge on PPE	Equated Monthly installments starting from November 2017 to July 2024	-	-	-
	First Pari-passu Charge on PPE	32 quarterly instalments starting from Oct '2022 Qtr	238.66	-	-
3. Loan from related parties	Unsecured Loan	February' 2031	2.51	-	-
	Unsecured Loan	February' 2031	5.00	-	-
4. 15% Listed Redeemable, Non-convertible Debentures	First Pari-passu Charge on PPE	Payable over 14 quarterly instalments starting from 22 nd Nov 2023	275.09	-	-
5. 12% Unlisted, Redeemable, Non-convertible Debentures of INR 10,00,000/- each	First Pari-passu Charge on PPE	Bullet repayment on completion of 36 months in Nov-2025	500.00	-	-
Total			1350.70	175.50	4.49

Disclosures on borrowings for March 2021

Loan	Security	Repayment terms	As at 31st March, 22		
			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 8.80% to 11.40 %	Repayable on demand.	0.00	280.28	0.00
Term Loans	First Pari-passu Charge on PPE The rate of interest is 9.95%	Repayable from April 2019 to October 2024.	55.23	0.00	31.83
	First exclusive charge on ships. The rate of interest ranges from 2.81 % to 2.96%	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till July 2023.	2.92	0.00	5.56
	First exclusive charge on Ship Loader. The rate of interest is 8.21%	Repayable from June 2021 to March 2026.	2.61	0.00	0.74
	First Pari-passu Charge on PPE. The rate of interest ranges from 9.75% to 10.60%	32 quarterly instalments starting from Oct '2022 Qtr	353.64	0.00	24.00
	Hypothecation of cars The rate of interest ranges from 7.85% to 9.80%	Equated Monthly installments.	1.76	0.00	1.08
2. Loan from Others	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.42	0.00	0.08
	First Pari-passu Charge on Fixed Assets	Equated Monthly installments starting from November 2017 to July 2024	10.17	0.00	7.47
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	275.32	0.00	18.76
3. Loan from related parties	Unsecured Loan	February' 2031	2.18	0.00	0.00
	Unsecured Loan	February' 2031	5.00	0.00	0.00
4. 15% Listed Redeemable, Non-convertible Debentures	First Pari-passu Charge on PPE	Payable over 14 quarterly instalments starting from 22 nd Nov 2023	299.27	0.00	0.00
Total			1008.51	280.28	89.52

Particulars	INR in crores	
	As at 31 Mar 23	As at 31 Mar 22
Note - 14		
Lease Liabilities		
Total Lease Obligations	17.58	18.41
Less: Current Maturities of Lease Obligation	-1.78	-1.26
Total	15.80	17.15
Note - 15		
Trade payables		
(a) Dues of Micro and Small Enterprises*	-	-
(b) Dues of creditors other than Micro and Small Enterprises	-	78.10
Total	0.00	78.10
* 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.		

Ageing of Trade Payables as on 31.03.2023

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

Ageing of Trade Payables as on 31.03.2022

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	78.10	-	-	-	-	78.10
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

INR in crores

Particulars	INR in crores	
	As at 31 Mar 23	As at 31 Mar 22
Note - 16		
Other financial liabilities:		
Security Deposits from Customers and Contractors/Transporters	46.76	53.69
Redemption premium accrued but not due	45.51	-
Total	92.27	53.69

INR in crores

Particulars	As at 31 Mar 23	As at 31 Mar 22
Note - 17		
Long term provisions:		
Employee benefits		
Gratuity	5.43	5.70
Leave encashment	1.51	1.63
Sick Leave	0.25	0.28
Other provisions		
Asset retirement obligation	0.09	0.09
Mines restoration	0.20	0.20
District Mineral Fund	0.11	0.11
National Mineral Exploration Trust	0.45	0.45
Electricity Duty	26.64	26.89
Total	34.69	35.35
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	0.09	0.08
Add: Provision during the year	0.00	0.01
Less: Utilisation during the year		
Closing Balance	0.09	0.09
Provision for Mines Restoration Expenses		
Opening Balance	0.20	0.20
Add: Provision during the year	0.00	0.00
Less: Utilisation during the year	0.00	0.00
Closing Balance	0.20	0.20
Provision for District Mineral Fund		
Opening Balance	0.11	0.11
Add: Provision during the year	0.00	0.00
Less: Utilisation during the year	0.00	0.00
Closing Balance	0.11	0.11
Provision for National Mineral Exploration Trust		
Opening Balance	0.45	0.42
Add: Provision during the year	0.33	0.45
Less: Utilisation during the year	0.32	0.42
Closing Balance	0.45	0.45
Provision for Electricity Duty		
Opening Balance	26.89	28.55
Less: Reversal during the year	-	0.36
Less: paid during the year	0.25	1.30
Closing Balance	26.64	26.89

INR in crores

Particulars	As at 31 Mar 23	As at 31 Mar 22
Note - 18		
Lease Liabilities		
Current Maturities of Lease Obligation	1.78	1.26
Total	1.78	1.26
Note - 19		
Current financial liabilities : Trade payables		
(a) Dues of Micro and Small Enterprises*	2.00	0.03
(b) Dues of creditors other than Micro and Small Enterprises	338.10	270.69
Total	340.10	270.72
* 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.		

Ageing of Trade Payables as on 31.03.2023

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.00	-	-	-	2.00
(ii) Others	54.43	241.84	24.76	3.37	2.49	326.89
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	11.13	0.08	-	11.21

Ageing of Trade Payables as on 31.03.2022

INR in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.03	-	-	-	0.03
(ii) Others	53.37	189.83	7.63	4.28	1.59	256.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	12.77	1.22	-	-	13.99

INR in crores

Particulars	As at 31 Mar 23	As at 31 Mar 22
Note - 20		
Current financial liabilities : Others		
Interest accrued but not due on borrowings	2.02	4.05
Other payables:		
Salary payable	14.39	10.58
Other Employee Related liabilities	3.21	3.77
Payable for capital goods	7.60	14.55
Other financial liabilities*	21.48	15.46
Total	48.70	48.41
* Other Financial Liability includes purchase invoice discounting of Rs.16.91 Crores (previous year Rs. 8.48 Crores).		
Note - 21		
Deferred Revenue:		
Deferred Revenue	5.19	4.78
Total	5.19	4.78
Note - 22		
Current liabilities : Others		
Advance received from Customers	27.79	39.25
Statutory dues	34.09	39.57
Other Payables	0.02	0.02
Total	61.90	78.84
Note - 23		
Current provisions:		
Employee benefits		
Gratuity	1.52	1.69
Leave Encashment	0.42	0.48
Sick Leave	0.05	0.06
Other provisions		
Provision for Expenses	17.47	16.53
Total	19.46	18.76

Particulars	INR in crores	
	For the year ended 31 Mar 23	For the year ended 31 Mar 22
Note - 24		
Other Income:		
Interest income	1.84	1.48
Other non-operating income (net)	17.61	9.62
Total Other income	19.45	11.10
Note - 25		
Cost of Materials consumed:		
Opening stock	9.68	7.59
Add: Purchases	63.48	63.30
Less: Closing stock	-10.14	-9.68
Total of cost of material consumed	63.02	61.21
Details of Material consumed		
Lime Stone	31.61	34.70
Fly Ash	13.07	14.22
Gypsum	8.23	5.91
Clinker consumed	-	-
Raw Material for Ready Mix Concrete	-	-
Other Raw materials	10.10	6.38
Total	63.02	61.21
Note - 26		
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Closing Stock:		
Finished goods	101.29	56.05
Work-in-progress	10.51	3.40
	111.80	59.45
Less: Opening Stock :		
Finished goods	56.05	41.51
Work-in-progress	3.40	0.42
	59.45	41.93
Net decrease / (increase)	-52.35	-17.52
Note - 27		
Employee benefit expense:		
Salaries & Wages and Bonus	61.04	61.88
Contribution to Provident Fund & Other Benefits	0.68	0.76
Staff Welfare Expenses	2.11	3.80
Total of employee benefit expense	63.83	66.44

Particulars	INR in crores	
	For the year ended 31 Mar 23	For the year ended 31 Mar 22
Note - 28		
Selling expenses:		
Freight outward	235.64	249.09
Stevedoring expenses	8.24	17.87
Sales and promotion expenses	15.67	17.55
Total of selling expenses	259.55	284.51
Note - 29		
Finance costs:		
Interest on Borrowings	226.19	73.74
Other borrowing cost	11.98	8.22
Total of finance Costs	238.17	81.96
Note - 30		
Depreciation & Amortisation Expenses:		
Depreciation & Amortisation Expenses	93.38	64.17
Total of Depreciation & Amortisation expenses	93.38	64.17
Note - 31		
Other Expenses:		
Manufacturing expenses		
Consumption of packing material	20.21	27.23
Consumption of stores and spares	15.25	13.57
Other manufacturing expenses	9.10	14.31
Other operating expenses		
Repairs to plant and machinery	44.85	15.21
Repairs to building	0.86	1.98
Advertisement	1.24	3.16
Audit fees ¹	0.37	0.37
Insurance	5.78	3.65
Foreign exchange loss (net)	0.57	0.13
Loss on sale of property, plant & equipment (net)	-	-
Corporate social Responsibility expenses	1.59	1.57
Other operating / administrative expenses	27.16	23.66
Total of other expenses	126.99	104.84
1. Payment to Statutory Auditors as:		
Payment for Statutory Audit	0.30	0.30
Payment for Limited review	0.07	0.07
	0.37	0.37

INR in crores

Particulars	For the year ended 31 Mar 23	For the year ended 31 Mar 22
Note - 32		
Statement of other comprehensive income:		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	0.60	(0.18)
Total	0.60	(0.18)
(II) Income tax related to items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	-	0.05
Total	-	0.05
Net Comprehensive income	0.60	(0.13)
Note - 33		
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/Loss and number of shares used in the basic and diluted EPS computations:		
Profit attributable to equity holders (INR in crores)	(325.70)	40.62
Weighted average number of equity shares used for computing EPS (Basic)	252,846,553	251,000,000
Weighted average number of equity shares used for computing EPS (Diluted)	252,846,553	251,000,000
Earnings per share (Basic) - INR	(12.88)	1.62
Earnings per share (Diluted) - INR	(12.88)	1.62

Note - 34 - Financial instruments – Fair values and risk management:**A. Accounting classification and fair values**

The management assessed that fair value of Cash and cash Equivalents, Bank Balances, Short Term Borrowings, Trade Payables, Floating rate Borrowings and Fixed rate Borrowings approximate their carrying amounts, except Trade Receivables, which are initially measured at transaction price.

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 the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

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

The Company's exposure to credit risk is influenced mainly by individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of the customers. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from the customers in case of wholesale and retail segment, credit risks are mitigated by way of enforceable securities. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company and where there is a probability of default, the Company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

As at 31.03.2023	Not due	< 90 days	90-180 days	180-365 days	365-1095 days	>1095 days	Total
Gross carrying amount	49.28	0.00	0.40	0.63	0.68	1.10	52.10
Expected Loss Rate	0.00%	0.00%	2.50%	5.00%	10.00%	25.00%	
Expected Credit Losses	0.00	0.00	0.01	0.03	0.07	0.28	0.38
Carrying amount to trade receivables net of impairment	49.28	0.00	0.39	0.60	0.61	0.83	51.72

As at 31.03.2022	Not due	< 90 days	90-180 days	180-365 days	365-1095 days	>1095 days	Total
Gross carrying amount	90.19	0.00	0.20	0.68	0.83	1.19	93.09
Expected Loss Rate	0.00%	0.00%	2.50%	5.00%	10.00%	25.00%	
Expected Credit Losses	0.00	0.00	0.01	0.03	0.08	0.30	0.42
Carrying amount to trade receivables net of impairment	90.19	0.00	0.20	0.65	0.75	0.89	92.67

iii. Liquidity risk

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

Exposure to liquidity risk

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

INR in crores

31 March 23	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note-13)	1,530.69	1,530.69	179.99	175.24	971.95	203.51
Trade payables(Refer note-15 & 19)	340.10	340.10	340.10	-	-	-
Others(Refer note-14,16, 18 and 20)	158.55	158.55	50.48	1.45	94.09	12.54

INR in crores

31 March 22	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings (Refer note-13)	1,378.31	1,378.31	369.80	157.97	562.67	287.87
Trade payables (Refer note-15 & 19)	348.82	348.82	270.72	78.10	-	-
Others (Refer note-14,16, 18 and 20)	120.51	120.51	49.67	1.35	56.67	12.82

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

There is no outstanding Derivatives for hedging currency.

Exposure to currency risk

The currency profile in INR of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

	March 31, 2023 INR	March 31, 2023 USD	March 31, 2023 GBP
Financial assets			
Trade receivables (Refer note - 6)	50.83	0.89	-
Cash and cash equivalents (Refer note – 7)	0.92	-	-
Bank balances other than Cash and Cash Equivalent (Refer note-8)	55.50	-	-
Other Financial Assets (Refer Note - 9)	29.46	-	-
	136.71	0.89	-
Financial liabilities			
Borrowings (Refer note – 13)	1,530.69	-	-
Trade payables (Refer note – 15 & 19)	338.64	1.45	0.01
Others (Refer note - 14,16, 18 and 20)	158.55	-	-
	2,027.88	1.45	0.01

	March 31, 2022 INR	March 31, 2022 USD	March 31, 2022 GBP
Financial assets			
Trade receivables (Refer note - 6)*	92.23	0.44	-
Cash and cash equivalents (Refer note – 7)	0.14	-	-
Bank balances other than Cash and Cash Equivalent (Refer note-8)	45.59	-	-
Other Financial Assets (Refer Note - 9)	29.57		
	167.52	0.44	-
Financial liabilities			
Borrowings (Refer note – 13)	1,369.82	8.49	-
Trade payables (Refer note – 15 & 19)	347.70	1.11	0.01
Others (Refer note - 14,16, 18 and 20)	119.19	1.32	-
	1,836.71	10.92	0.01

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

INR	Year end spot rate	
	March 31, 2023	March 31, 2022
USD 1	83.70	75.77
EUR1	101.70	84.66

INR	Average rate	
	March 31, 2023	March 31, 2022
USD 1	81.93	74.73
EUR1	99.17	85.29

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, 2023	
Strengthening	0.06
Weakening	(0.06)

Effect in INR of 10% movement	INR
March 31, 2022	
Strengthening	1.05
Weakening	(1.05)

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 Mar 23	31 Mar 22
Fixed-rate instruments		
Floating rate borrowings	743.73	1,065.68
Fixed rate borrowings	781.96	307.63
	1,525.69	1,373.31

Note : Above does not include interest free loans

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, 2023	
Increase in rate	(3.72)
Decrease in rate	3.72
Change in interest rate of 0.50 %	INR
March 31, 2022	
Increase in Rate	(5.33)
Decrease in Rate	5.33

Note - 35 - Capital Management:

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company's adjusted net long term debt to equity ratio at March 31, 2023 was as follows.

INR in crores

	As at	
	31 Mar 23	31 Mar 22
Total long term debts	1,355.19	1,098.03
Less : Cash and cash equivalents	0.92	0.14
Adjusted net long term debts	1,354.27	1,097.89
Total equity	1,559.13	1,834.23
Adjusted net long term debts to adjusted equity ratio	0.87	0.60

Note - 36 - Contingent Liabilities:

The claims against the company not acknowledged as debt amount to INR 111.99 Crore (31 March 2022 : INR 111.99 Crore) excluding 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 45.87 Crore (31 March 2022 : INR 45.87 Crore) with respective authorities as deposit.

INR in crores

Particulars	31 Mar 23	31 Mar 22
Excise & Service Tax	61.67	61.67
Customs	12.41	12.41
Sales Tax	1.76	1.76
Claims of Gujarat Water Supply and Sewerage Board	26.38	26.38
Land Revenue Tax	1.17	1.17
Electricity Duty	3.30	3.30
GST Compensation Cess	2.28	2.28
Other Claims against the Company	3.02	3.02
Total	111.99	111.99

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR NIL (31 March 2022 is INR NIL).

Bank Guarantee outstanding Rs 13.97 Crore (31 March 2022 Rs 2.35 Crore) and Margin against Bank Guarantee Rs 11.24 Crore (31 March 2022 Rs 0.47 Crore)

Note - 37 - Segment reporting :**(a) Description of segments and principal activities**

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

(b) Geographical Information

Particulars	Details	
	Revenue	Non Current Assets
Within India		
31 March, 2023	947.81	3,207.41
31 March, 2022	1,075.19	3,252.26
Outside India		
31 March, 2023	-	-
31 March, 2022	65.33	-
Total		
31 March, 2023	947.81	3,207.41
31 March, 2022	1,140.52	3,252.26

Domestic revenue includes INR 0.15 Crore self consumption (31 March 2022 : INR 0.24 Crore)

(c) Information about major customers

None of the entity's external customers account for 10 per cent or more of an entity's revenue. (PY - Nil)

Note - 38 - Related party disclosures:**a. Subsidiary Company :**

As on 31st March 2023, 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 Independent Director - Ceased to be an Independent Director w.e.f. 23.06.2022 due to completion of his second consecutive term as an Independent Director
Mr. Sadashiv Sawrikar	- Non Executive Independent Director - Ceased to be an Independent Director w.e.f. 23.06.2022 due to completion of his second consecutive term as an Independent Director
Mr. D. B. N. Rao	- Non Executive Independent Director - Ceased to be an Independent Director w.e.f. 23.06.2022 due to completion of his second consecutive term as an Independent Director
Mr. S. Balasubramarian	- Non Executive Independent Director
Ms. Raina Desai	- Non Executive Independent Director
Mr. Arvind Agarwal	- Non Executive Independent Director
Mr. G M Yadwadkar	- Non Executive Independent Director - Appointed w.e.f. 23.06.2022
Mr. Sudhir Nanavati	- Non Executive Independent Director - Appointed w.e.f. 23.06.2022
Mr. Anil Agrawal	- Company Secretary

c. Enterprises over which Key Managerial Personnel are able to exercise significant influence

M/s Thinkfar Tradelink Private Limited
M/s Flarezeal Solutions LLP
M/s Samruddhi Investors Services Pvt. Ltd.
M/s Sanghi Energy Limited
M/s Sanghi Polymers Private Limited

d. Relative of Key Managerial Personnel (*):

Ms. Anita Sanghi Relative of Key Managerial Personnel
Ms. Ekta Gupta Relative of Key Managerial Personnel

Enterprises over which KMP are able to exercise significant influence, KMP(*) and Relative of KMP have given Corporate Guarantee/Guarantee & pledged its Equity Shares of Sanghi Industries Limited, in relation to the Debts of Sanghi Industries Limited.

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

Particulars	INR in crores	
	For the year ended 31 Mar 23	For the year ended 31 Mar 22
Share capital issued - including premium	50.00	-
Remuneration (including Managerial Commission)	6.55	8.49
Sitting Fees	0.14	0.15
Interest on Loan from Sanghi Energy Limited	0.17	0.17
Total	56.86	8.81

(*) & (**) Remuneration includes commission to key managerial persons INR Nil, (31 March 2022 : INR 1.46 Crore)

- f. The following are the outstanding balances for the related parties referred above in the ordinary course of business :

INR in crores

Particulars	For the year ended 31 Mar 23	For the year ended 31 Mar 22
Remuneration payable (including Managerial Commission)	3.98	3.64
Loan from Sh. Alok Sanghi	5.00	5.00
Loan from Sanghi Energy Limited	2.18	2.18
Interest Payable on Loan from Sanghi Energy Limited	0.33	0.17
Total	11.49	10.99

Note - 39 - Operating lease:

The company has taken certain assets on operating lease which are cancellable. During the year company has paid INR 1.03 Cr (FY 21-22 INR 1.52 Cr) towards cancellable operating lease. There are no operating leases which are non cancellable.

Note - 40 - Gratuity and other post employment benefit plans:

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

I. Defined Contribution Plan

INR in crores

Description	31 Mar 23	31 Mar 22
Employer's Contribution to Provident Fund	0.59	0.66

II. Unfunded

- i. Gratuity
- ii. Leave encashment benefit

III. 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 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
1. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	7.39	6.93	2.11	2.10
b. Current Service Cost	0.62	0.63	0.42	0.42
c. Past Service cost				
d. Interest Cost	0.53	0.48	0.15	0.14
e. Actuarial (Gain)/Loss	(0.60)	0.18	(0.29)	0.02
f. Benefits Paid	(0.99)	(0.83)	(0.46)	(0.57)
g. Obligation as at the end of the year	6.95	7.39	1.93	2.11
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	6.95	7.39	1.93	2.11
c. Amount recognised in the Balance Sheet	(6.95)	(7.39)	(1.93)	(2.11)

INR in crores

Description	Gratuity		Leave encashment	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
3. Expense recognised during the year in Statement of Profit & Loss				
a. Current Service Cost	0.62	0.63	0.42	0.42
b. Actuarial (gain)/loss	(0.60)	0.18	(0.29)	0.02
c. Interest Cost	0.53	0.48	0.15	0.14
d. Expense recognised during the year	0.55	1.29	0.28	0.58
4. Expense recognised during the year in OCI				
a. Actuarial (Gain)/Loss	(0.60)	0.18	(0.29)	0.02
5. Actuarial Assumptions				
a. Discount Rate (per annum)	7.47%	7.15%	7.47%	7.15%
b. Salary escalation	3.00%	3.00%	3.00%	3.00%
c. Mortality Rate Indian Assured Lives Mortality (Mortality 2012-14 (Urban)) – Previous Year (Mortality 2006-2008 ult)	Urban	Urban	Urban	Urban

IV. Sensitivity analysis

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

INR in crores

Particulars	31 Mar 23	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.31)	0.34
Salary growth rate (1% movement)	0.32	(0.29)

INR in crores

Particulars	31 Mar 22	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.35)	0.39
Salary growth rate (1% movement)	0.36	(0.33)

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 - 41:

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

Note - 42:

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

- (i) Bifurcation of total revenue from contracts with customer as per Ind As 115 is given below:
 Revenue from contracts with customers INR 928.37 crore
 - Recognised from contract liability of the previous year INR 39.25 crore
 - contract liability outstanding as at year end INR 27.79 crore
 - Recognised from the performance obligation satisfied in current year INR 4.78 crore
 - Recognised from the contracts entered in current year INR 912.13 crore
- (ii) Performance Obligation pending at year end for which revenue is to be recognised in next financial year is INR 5.19 crore
- (iii) The company classify the right to receive consideration as trade receivables.
- (iv) Sale of goods to customers are made at fixed rate.

Note - 43 - Research and Development Cost:

Research and Development Cost

During the year company has incurred INR 1.03 crore towards Research and Development.

Capital Expenditure INR NIL (Previous Year INR NIL)

Recurring Expenditure INR 1.03 crore (Previous Year INR 1.18 crore)

Note - 44 - 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 Mar 23	31 Mar 22
Principal amount due to supplier under the MSMED Act and remaining unpaid as at year end.	2.00	0.03
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 - 45 - Disclosure as per Ind AS 116 'Leases':**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 Mar 23	For the year ended 31 Mar 22
Opening Balance	18.41	19.99
- Additions in lease liabilities	0.80	-
- Interest cost during the year	2.16	2.24
- Payment of lease liabilities	3.79	3.82
- Termination of lease liabilities	-	-
Closing Balance	17.58	18.41
Current	1.78	1.26
Non Current	15.80	17.15

- (ii)
- Maturity Analysis of the lease liabilities:**

Contractual undiscounted cash flows	As at 31 March 2023	As at 31 March 2022
3 months or less	0.95	0.84
3-12 Months	2.80	2.51
1-2 Years	3.24	3.29
2-5 Years	6.50	7.95
More than 5 Years	27.30	29.10
Undiscounted Lease liabilities as at 31 March 2022	40.79	43.69

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

Particulars	For the year ended 31 Mar 23	For the year ended 31 Mar 22
Depreciation expense for right-of-use assets	2.48	2.48
Interest expense on lease liabilities	2.16	2.24
Expense relating to short-term leases	1.03	1.52

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

Particulars	As at 31 March 2023	As at 31 March 2022
Cash Outflow from leases	4.82	5.34

Note - 46 - Reconciliation of tax expenses and effective tax rate:

	2022-23		2021-22	
	in crore	In %	in crore	In %
Profit before tax expenses	(325.70)		56.75	
Tax expenses at statutory income tax rate	-	25.17%	14.28	25.17%
Adjustments of tax related to Earlier Years	-		1.53	
Amount of Deferred Tax	-81.98		-	
Deferred tax not recognised	81.98		-	
Others Adjustments	-		0.28	
Tax expenses	-		16.09	
Tax expenses reported in statement of profit or loss	-	-	16.09	28.36%

Note- 47 :

The Indian Parliament has approved the Code on Social Security 2020 ("the Code") which, inter-alia, deals with employee benefits during employment and post-employment. Effective date of the code and rules thereunder are yet to be notified. In view of this, the impact of change, if any, will be assessed and recognised post notification of the relevant provisions.

Note - 50 - Corporate Social Responsibility Expenses (CSR):

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

INR in crores

Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
A. Amount required to be spent during the year		
(i) Gross amount (2% of average net profit as per Section 135 of Companies Act,2013)	1.56	1.54
(ii) Surplus arising out of CSR projects	-	-
(iii) Set off available from previous year	-	-
(iv) Total CSR obligation for the year [(i)+(ii) -(iii)]	1.56	1.54
B. Amount approved by the Board to be spent during the year	1.60	1.57
C. Amount spent during the year on:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	1.59	1.57
Total	1.59	1.57
D. Set off available for succeeding years	-	-
E. Amount unspent during the year	-	-

i) **Amount spent during the year ended 31 March 2023:** INR in crores

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	-	-	-
b) On purposes other than (a) above	1.59	-	1.59

Amount spent during the year ended 31 March 2022: INR in crores

Particulars	In cash	Yet to be paid in cash	Total
a) Construction/acquisition of any asset	-	-	-
b) On purposes other than (a) above	1.57	-	1.57

ii) **Details of contribution to a trust controlled by the company in relation to CSR expenditure:**

INR in crores

Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Contribution given to Trust	1.55	0.57

iii) **Break-up of the CSR expenses under major heads is as under:** INR in crores

Particulars	For the year ended 31 Mar 2022	For the year ended 31 Mar 2021
1. Health Care to economically backward people	0.27	0.31
2. Educational facilities to economical backward and rural children	0.35	0.30
3. Greenbelt development	0.93	0.55
4. Measures taken for prevention of COVID 19	0.04	0.41
Total	1.59	1.57

Note - 51 - Additional disclosures as required under schedule III of the Companies Act 2013.

- 1) Title deeds of all immovable properties are held in name of the Company as at 31st March 2023.
- 2) The company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.
- 3) The Company has not revalued any of its Property, Plant & Equipment and including Right of use assets in the current year & previous year.
- 4) The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
- 5) No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988.
- 6) Company is not having any transaction with the Companies struck off under the Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956 except as below:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (Rs. in crore)	Relationship with the Struck off company, if any, to be disclosed
Sarvodaya Shares and Stocks Broking Private Limited	Shares Held	#	Share Holder

Amount is less than Rs. 50,000/-

- 7) There are no charges or satisfaction which are to be registered with ROC beyond statutory period.
- 8) The company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- 9) The Company has filed quarterly returns or statements with the banks who have sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

Particulars of Securities provided	For the quarter ended	Amount as per unaudited books of	Amount as reported account in the quarterly returns and statement	Amount of difference	Remarks
Inventories & Trade Receivables	June 2022	448.6	446.23	-2.37	Amount reported in statements filed with banks are based on provisional accounts.
	Sept 2022	384.16	409.52	25.36	
	Dec 2022	411.6	398.29	-13.31	
	Mar 2023	348.06	360.81	12.75	
Trade Payables *	June 2022	96.36	95.11	-1.25	Amount reported in statements filed with banks are based on provisional accounts.
	Sept 2022	71.6	69.36	-2.24	
	Dec 2022	170.27	161.94	-8.33	
	Mar 2023	190.54	174.67	-15.87	

*Excluding amount payables for post-production activities, project and long term Trade Payables as per the consistent practice followed by the company and accepted by its lender.

- 10) The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.
- 11) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 12) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 13) The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- 14) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- 15) There were no scheme of Arrangements approved by the competent authority during the year in terms of section 230 to 237 of the Companies Act, 2013.

16) Performance Ratio's

Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	% Variance	Reason for Variance
Current ratio	Current Assets	Current Liabilities	0.76	0.71	7.66%	-
Debt-equity ratio	Paid-up debt capital (Long term borrowings +Short term borrowings)	Shareholder's Equity (Total Equity)	0.98	0.75	30.65%	Due to higher debt and lower profitability for the year
Debt service coverage ratio	(Profit After Tax+Interest + Depreciation + Loss/(Gain) on Sale of Property Plant & Equipment)	Finance Costs + lease payments+Scheduled principal repayments of long term borrowings	-0.01	1.44	-100.81%	Due to loss for the year
Return on equity ratio	Profit for the year	Average Shareholder's Equity	-19.20%	2.24%	-957.33%	Due to loss for the year
Inventory turnover ratio	Revenue from operations	Average Inventory	2.99	3.35	-10.62%	-
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	12.86	15.95	-19.38%	-
Trade payables turnover ratio	Total Purchases (for Material Consumed)+ Other Expenses (excluding non-cash item)+Closing Inventory* -Opening Inventory*) *(Inventory excluding Finished Goods & Stock in Process)	Average Trade Payables	1.79	3.47	-48.42%	Due to higher loss
Net capital turnover ratio	Revenue from operations	Working Capital	#	#	-	-
Net profit ratio	Profit for the year	Revenue from operations	-35.08%	3.60%	-1074.54%	Due to loss for the year
Return on capital employed	Earning before interest and taxes	Capital Employed = (Networth + Total Debt + DTL)	-2.83%	4.32%	-165.61%	Due to loss for the year

Working Capital is negative

Note 52 – Disclosure as per Ind AS 8 - ‘Accounting Policies, Changes in Accounting Estimates and Errors’**Recent Accounting Pronouncement:****Standards / amendments issued but not yet effective:**

The Ministry of Corporate Affairs, vide notification dated 31 March 2023, has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain Indian Accounting Standards which are effective 1 April 2023. Below is a summary of such amendments:

1. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.
2. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.
3. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company has evaluated the above amendments and the impact of the same on the standalone financial statements is not material.

Note 53 – Corresponding figures of previous year have been regrouped / rearranged wherever necessary.

As per report of even date

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

Gaurav Jain
Partner
M. No.: 129439

Place : Ahmedabad
Date : 17th May, 2023

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

Jyoti Bagga
Partner
M. No. 087002

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
S. Balasubramanian	- Independent Director
Arvind Agarwal	- Independent Director
Raina Desai	- Independent Director
G.M. Yadwadkar	- Independent Director
Sudhir Nanavati	- Independent Director
Anil Agrawal	- Company Secretary



Turning Dreams into Concrete Reality

Sanghi Industries Limited

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