

24<sup>th</sup> August, 2021

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

**Sub :Annual Report of the Company for the F Y 2020-21.**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2020-21 along with Notice of the Thirty Fourth Annual General Meeting of the Company scheduled to be held on Saturday, 18<sup>th</sup> September, 2021 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means.

This is for your information and record.

Thanking you,  
Yours faithfully,

For **Sanghi Industries Ltd**



**Anil Agrawal**  
**Company Secretary**  
**Encl: As above**

**Sanghi Industries Limited**

CIN No. : L18209TG1985PLC005581

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

Tel. : 08415 - 242240 E-mail : companysecretary@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 Fourth Annual General Meeting** of the Members of **M/s. Sanghi Industries Limited** will be held on Saturday, the 18<sup>th</sup> day of September, 2021 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 31<sup>st</sup> March, 2021, Statement of Profit and Loss and Cash Flow for the year ended on that date together with the Directors' Report and also the Auditors' Report thereon.
2. To appoint a Director in place of Shri Nirubha B. Gohil (holding DIN: 05149953 ), who retires by rotation and being eligible, offers himself for re-appointment.

#### Special Business:

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

**“Resolved that** pursuant to the provisions of Section 148 and all the applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force) the consent of members be and is hereby accorded to ratify the remuneration decided by the Board of Directors of the Company based on the recommendation of the Audit Committee of ₹ 3,00,000/- (Rupees Three Lac 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 2021-22.

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

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

**“Resolved that** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval be and is hereby granted for continuing the directorship of Shri Dabbir Badri Narayan Rao (holding DIN: 01180539) who will attain the age of 75 years on 14.04.2022 as an Independent Director of the Company.

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

5. 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 149, 150, 152, 161 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification

of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 17 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Arvind Agarwal (DIN: 00122921), who was appointed as an Additional Director of the Company by the Board of Directors (and categorized as 'Independent Director') w.e.f. 12<sup>th</sup> August, 2021 and who holds office as an Additional Director upto the date of ensuing Annual General Meeting of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years w.e.f. 12<sup>th</sup> August, 2021.

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

**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 : 12<sup>th</sup> August, 2021

Anil Agrawal  
**Company Secretary**

**Notes:**

- (1) In view of the massive outbreak of the COVID-19 global pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs ('MCA') allowed conducting of Annual General Meeting ('AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') and dispensed the personal presence of the members at the meeting. Accordingly, the MCA issued Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 prescribing the procedures and manner of conducting the AGM through VC/OAVM and SEBI Circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and Circular dated January 15, 2021 ("SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars the AGM of the Company is being held / convened through VC / OAVM means. Hence, members can attend and participate in the ensuing AGM through VC/OAVM means only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no.11 & 12.
- (2) Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto. The Board of Directors have considered and decided to include Item 3 to 5 given above as Special Business as they are unavoidable in nature.
- (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 is being sent to the members through electronic mode whose e-mail ID is registered with the Company. Members whose e-mail ID is not registered are requested to get the same registered with the Company by sending an E mail to: [companysecretary@sanghiment.com](mailto:companysecretary@sanghiment.com). The Notice of Annual General Meeting is available on website of the Company [www.sanghiment.com](http://www.sanghiment.com) and also available on website of National Stock Exchange of India Limited and BSE Limited.
- (6) Members desiring any information as regards the Accounts are requested to write to the Company at least 10 working days before the meeting so as to enable the Management to keep the information ready at the time of meeting and the same shall be provided suitably at the time of meeting.
- (7) Members holding shares in electronic form shall address all communications to their respective Depository Participants only.
- (8) Necessary registers and documents will be available for inspection to the members in electronic mode. The members are required to send an e-mail of their intention of inspection to [companysecretary@sanghiment.com](mailto: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 Circulars issued by MCA dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 the Company is pleased to provide its members the facility of 'remote e-voting' to exercise their right to vote at the 34<sup>th</sup> 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. 11<sup>th</sup> September, 2021 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 15<sup>th</sup> September, 2021 and ends at 5.00 p.m. on 17<sup>th</sup> September, 2021 (both days inclusive). During this period the shareholders of the Company holds shares as on the cut-off date (record date) of 11<sup>th</sup> September, 2021 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](http://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](http://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 e-voting 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.
- (d) Shareholders other than individual shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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](http://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](mailto: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](mailto: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.
  - 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](mailto:sangaisri@yahoo.com) with a copy marked to [companysecretary@sanghiment.com](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**(12) The instructions for shareholders attending the AGM through VC/OAVM & e-voting 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 atleast (10) working days before AGM mentioning their name, demat account number / folio number, email id, mobile number at [companysecretary@sanghiment.com](mailto: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](http://www.sanghiment.com)) and on the website of agency ([www.evotingindia.com](http://www.evotingindia.com)). The Company shall simultaneously forward the results to NSE and BSE where the equity shares of the Company are listed.**

As the meeting is to be convened through VC / OAVM, the route map is not annexed in this Notice.

- (14) 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](mailto:companysecretary@sanghiment.com); Phone / Mobile No.: 08415- 242240.**
- (15) 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.

- (16) 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.**



- (17) SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018-49 dated 30<sup>th</sup> November, 2018, requests for effecting transfer of securities (except in case of transmission, transposition and relodgement of securities) shall not be processed from 1<sup>st</sup> April, 2019 unless the securities are held in the dematerialized form with the depositories.
- (18) 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 companies	Details of membership / chairmanship of other Board committees
Nirubha Balubha Gohil DIN: 05149953	16 <sup>th</sup> June, 1950	22 <sup>nd</sup> December, 2011	Diploma in Mechanical Engineering. He is aged about 70 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.	Nil	1. Sanghi Cements Limited 2. Sanghi Energy Limited	----
Dabbir Badri Narayan Rao DIN : 01180539	14 <sup>th</sup> April, 1947	22 <sup>nd</sup> December, 2011	BE in Mechanical Engineering, M Tech in Design and Production Engineering and Diploma Holder in Cement, Building Materials & Construction Technology from Manila. He is aged about 74 years and is having a rich and Varied experience in Erection & Commissioning, Operations and Maintenance of Cement Plants.  Associated with many Private and Government Cement Sector Organisations.	Nil	1. Hemadri Cements Limited 2. Sanghi Cements Limited 3. Seetharam Cements Limited	----
Arvind Agarwal DIN : 00122921	23 <sup>rd</sup> April, 1960	12 <sup>th</sup> August, 2021	Graduate from Sydenham College of Commerce & Economics, Mumbai. After post graduation in Commerce, he did CA Articles with Price Waterhouse & Co., Mumbai and completed CA (Intermediate) with 11 <sup>th</sup> all-India rank. He joined the	Nil	1. KLJ Plasticizers Ltd.	

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 companies	Details of membership / chairmanship of other Board committees
			<p>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 &amp; District Magistrate of Bharuch district, Commissioner of Labour, Transport, Higher Education, Bureau of Public Enterprises, Civil Supplies, Commissioner of Industries, VC&amp;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 &amp; Mines, Forest and Environment, and Finance Departments. He was also nominated as a director on important companies of the Government of Gujarat.</p>			

**CONTACT DETAILS:**

Company	Sanghi Industries Ltd. E-mail ID: <a href="mailto:companysecretary@sanghiment.com">companysecretary@sanghiment.com</a>
E-voting Agency	Central Depository Services (India) Limited E-mail ID: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	Shri Srikanth Sangai, Practising Company Secretary. Email id: <a href="mailto:sangaisri@yahoo.com">sangaisri@yahoo.com</a>

## ANNEXURE TO THE NOTICE

### Explanatory Statement

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

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

#### Item No. 3

The Board on recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the Cost records of the Company for the financial year 2021-22.

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 2021-22.

Your Directors recommend the passing of the proposed Ordinary Resolution.

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

#### Item No. 4

As per the Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the approval of the shareholders is required by way of special resolution for continuing the Directorship of any non-executive Director who have attained the age of 75 years. Hence it is proposed to take the approval of the members of the company for continuing the directorship of Shri Dabir Badri Narayan Rao. Shri Dabir Badri Narayan Rao, is aged 74 years and will attain the age of 75 years on 14.04.2022 as an Independent Director of the Company, has been re-appointed as a Non-Executive Independent Director of the Company by a Special Resolution passed by the members of the Company in the Annual General Meeting held on 24<sup>th</sup> June, 2017. The Company had received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his re-appointment as an independent Director.

Shri Dabir Badri Narayan Rao is BE in Mechanical Engineering, He is also M Tech in Design and Production Engineering and Diploma Holder in Cement, Building Materials & Construction Technology from Manila. He is aged about 74 years and is having a rich and varied experience in Erection & Commissioning, Operations and Maintenance of Cement Plants. He is also associated with many Private and Government Cement Sector Organisations. Considering the qualification, positive attributes, expertise and independence, the Board of Directors considers to continue his association for the immense benefit of the Company.

Looking to his experience and expertise, your Board of Directors recommend the passing of the proposed Special Resolution.

Except Shri Dabir Badri Narayan Rao, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

#### Item No. 5

Shri Arvind Agarwal, aged 61 years, has been appointed as an Additional Director (Categorized as Independent Director) of the Company by the Board of Directors w.e.f. 12<sup>th</sup> August, 2021 who holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company. The Company has received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act, in connection with his appointment as an Independent Director. Copy of the draft letter for his appointment as an Independent Director will be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Shri Arvind Agarwal is graduate from Sydenham College of Commerce & Economics, Mumbai. After post graduation in Commerce, he did CA Articles with Price Waterhouse & Co., Mumbai and completed CA (Intermediate) with 11<sup>th</sup> all-India rank. Shri Arvind Agarwal 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. He retired in December 2020 as Chairman & Managing Director, Gujarat State Fertilizers & Chemicals Limited (GSFC), Baroda. He has rich experience in Industrial Development, Finance, Environment and Administration. Considering the qualification, positive attributes, expertise and independence, the Board of Directors, upon recommendation of the Nomination and Remuneration Committee, considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

Looking to his experience and expertise, it would be advisable and in the interest of the Company to appoint him as a Director (Independent category) on the Board and hence your Board of Directors recommend the passing of the proposed Ordinary Resolution.

Except Shri Arvind Agarwal, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

**Registered Office:**

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

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

Place : Ahmedabad  
Date : 12<sup>th</sup> August, 2021

Anil Agrawal  
**Company Secretary**

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Sanghi Industries Limited



**34TH  
ANNUAL  
REPORT  
2020-21**







## Vision

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

## Mission

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

## Values (Five Cs)

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

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## Board of Directors

Shri Ravi Sanghi	Chairman and Managing Director
Shri Aditya Sanghi	Executive Director
Shri Alok Sanghi	Executive Director
Smt. Bina Engineer	Executive Director
Shri N. B. Gohil	Executive Director
Shri D. K. Kambale	Independent Director
Shri Sadashiv Sawrikar	Independent Director
Shri D.B.N. Rao	Independent Director
Shri S. Balasubramanian	Independent Director
Ms. Raina Desai	Independent Director

### Company Secretary

Shri Anil Agrawal

### Joint Statutory Auditors

M/s Chaturvedi & Shah LLP  
Chartered Accountants  
Mumbai

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

### Registered Office

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

### Cement Works

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

### Corporate Office

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

### Mumbai Office

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

**Email** : [companysecretary@sanghiment.com](mailto:companysecretary@sanghiment.com)

**Website** : [www.sanghiment.com](http://www.sanghiment.com)

**CIN** : L18209TG1985PLC005581

## DIRECTORS' REPORT

To  
The Members of  
Sanghi Industries Limited

Your Directors take pleasure in presenting the 34<sup>th</sup> Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2021.

### Financial Performance:

(₹ in Crore)

Particulars	2020-2021	2019-2020
Total Income	948.17	900.01
Profit before Interest, Depreciation and Taxation	249.45	205.40
Interest	73.18	77.96
Operating Profit	176.27	127.44
Depreciation	63.70	62.08
Profit Before Tax (PBT)	112.57	65.36
Deferred Tax (including Derecognition of earlier years MAT credit)	34.39	-
Profit After Tax (PAT)	78.17	65.36
Other Comprehensive Income		
Items that will not be reclassified to profit or loss	0.26	(0.35)
Income tax related to items that will not be reclassified to profit or loss	(0.07)	-
<b>Total Comprehensive Income</b>	<b>78.37</b>	<b>65.01</b>

### Dividend

In order to conserve the resources, 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 5<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2021, 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 <http://www.sanghiment.com/policies>

### Operations and Performance of the Company

During the year ended 31<sup>st</sup> March, 2021, the total revenue was ₹ 948.17 Crores against ₹ 900.01 Crores in the previous year. The Profit Before Tax for the year has been ₹ 112.57 Crores against ₹ 65.36 Crores in previous year. The Profit After Tax for the year has been ₹ 78.17 Crores against ₹ 65.36 Crores in previous year. The Total Comprehensive Income for the year is ₹ 78.37 Crores, against ₹ 65.01 Crores in previous year.

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

### Issue of Non-Convertible Debentures (NCDs) on Private Placement Basis and Early Redemption of existing NCDs

During the year under review, Company has issued 3050 Listed, Rated, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹10,00,000/- each aggregating to ₹3,05,00,00,000/- (Rupees Three Hundred Five Crores Only) on Private Placement basis listed on 'Wholesale Debt Market' segment of BSE Limited.

The proceeds of above NCDs have been utilized for early redemption of 2560 Secured, Listed, Rated, Redeemable, Non-Convertible Debentures of ₹10,00,000/- each aggregating to ₹ 2,56,00,00,000 (Rupees Two Hundred Fifty Six Crores Only) which were issued in the month of March 2018 having ISIN INE999B07028.

Consequent to above, as on 31.03.2021 the outstanding Non Convertible Debentures of the Company is ₹ 305 Crore which were issued on 23<sup>rd</sup> February 2021 having ISIN INE999B07036.

#### **Impact of COVID-19**

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

In March -2020, COVID-19 pandemic developed rapidly into a global crisis forcing governments to enforce lock down of all economic activity. All the operations were disrupted since last week of March, 2020 and the company could partially resume the manufacturing operations at plant at Sanghipuram, Kutch from Mid April, 2020 after obtaining the necessary approval from Government .

The activity remained subdued till September 2020 and thereafter, company witnessed a growth in demand and production. The company also undertook proactive measures to face the second wave of Covid 19 from March 2021 onwards. The company has encouraged its employees to take vaccination as per the eligibility criteria stipulated by State Governments.

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

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

The first quarter of the financial year had witnessed a temporary economic slowdown on account of lockdown enforced to fight against COVID-19 pandemic. However, the government's mega push on affordable housing and infrastructure has widened the opportunity horizon for real estate industry. The spread of the virus and lockdown only reinforced our conviction that for businesses to sustain through such uncertain condition, a strategic clarity is primary. We have adapted ourselves in a manner that we would resist a sharp downside in revenues, profits and margins during this downtrend but recover faster when conditions revive.

With the continuous support of employees and stakeholders, your Company was able to stand strong in this unprecedented times. In fact, company's turnover has increased in every quarter after completion of lockdown. This has rejuvenated the faith and confidence of management to operate more effectively.

#### **Covid Isolation Center**

Recently, as to offer support for patients suffering in Second Wave of Covid-19 pandemic, in the month of May-2021, the Company has set up a 100 bed "Covid Isolation Centre" including 30 Oxygen Beds in Nalia, Tal. Abdasa, Kutch, Gujarat in association with Shree Merchants Association, Nalia to help the people suffering from Covid-19 from neighboring areas, Kutch, Gujarat. Now, the citizens from rural areas are able to avail of the quarantine facility along with immediate treatment and nutrition support in Nalia and need not to rush to Bhuj City.

#### **Status of Expansion**

The company's expansion project at Sanghi Puram, Kutch consisting of 3.3 MTPA Clinker Unit, 68 MW Thermal Power Plant and 2 MTPA cement Grinding Capacity is completed and production is gradually ramping up.

The demand and performance outlook for cement industry is very positive and your company will be able to participate in this growing demand with additional production from new capacity.

#### **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 2020-21.

### Subsidiary Company

As at 31<sup>st</sup> March 2021, the Company does not have any Subsidiary Company.

### Corporate Governance Report

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is attached as **Annexure – I** forming part of this report along with the certificate from auditors confirming the compliance.

### Details of Board of Directors and Key Managerial Personnel

#### Board of Directors

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

Your Directors recommend his reappointment.

During the year under review, Shri Radha Krishna Pandey (DIN: 00190017), aged about 80 years, has resigned as an Independent Director of the Company due to personal reason with effect from 3<sup>rd</sup> July, 2020. The Board places appreciation for the services rendered by him during his tenure as an Independent Director of the Company.

Due to sad demise of Shri Mahendra Kumar Doogar (DIN: 00319034), he ceased to be an Independent Director with effect from 4<sup>th</sup> May, 2021. The Board conveyed deep sorrow and condolences to his family. The Board places appreciation for the services rendered by him during his tenure as an Independent Director of the Company.

#### Key Managerial Personnel

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

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

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

#### Declaration by Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149 (6) and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and there has been no change in the circumstances affecting their status as an Independent Directors during the year under review.



#### **Policy on Directors' appointment and remuneration**

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

#### **Performance evaluation of the Board Committees and Independent Directors**

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

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

#### **Directors' Responsibility Statement**

To the best of knowledge and belief and according to the information and explanations obtained and pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, your Directors confirm that:

- a) in the preparation of the annual financial statement, the applicable accounting standards had been followed and that no material departures have been made for the same;
- b) they had selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31<sup>st</sup> March, 2021 and of the profit of the Company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the accounts for the period ended 31<sup>st</sup> March, 2021 on a 'going concern' basis.
- e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Number of Board Meetings**

During the year under review, the Board of Directors duly met Four (4) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report. The intervening gap between the two meetings was within the limit prescribed under the Companies Act, 2013 and Listing Regulations.

#### **Disclosure on the compliance of Secretarial Standards**

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

#### **Risk Management Policy**

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

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

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

### **Vigil Mechanism**

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

The Whistle Blower Policy is made available on the website of the Company <http://www.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 35<sup>th</sup> Annual General Meeting of the Company subject to ratification of appointment at every Annual General Meeting at such remuneration as shall be fixed by Shri Ravi Sanghi, Chairman and Managing Director of the Company in consultation with the Joint Statutory Auditors.

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

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

#### **Secretarial Auditors**

M/s. Parikh Dave & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2020-21 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 auditor of the Company for conducting audit of cost accounting records for the year 2021-22. 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 2021-22. The Audit report of the cost accounts of the Company for the year ended 31<sup>st</sup> March, 2021 will be submitted to the Central Government in due course.

### Audit Committee

The Audit Committee of the Company as on 31<sup>st</sup> March, 2021 consists of following Directors as its members:

1.	Shri Sadashiv Sawrikar	-	Chairman
2.	Shri D K Kambale	-	Member
3.	Shri D B N Rao	-	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 2020-21 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 34 which is forming the part of the notes to financial statements.

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

- Creating green revolution in the desert Kutch region by cultivating land for growing trees, fruits, vegetables and flowers.

- Providing educational facilities through a CBSE affiliated School.
- Providing hospitals and first aid facilities within few hundred kilometers.
- Conducting social awareness programmes on various issues.
- Contribution in disaster relief fund.

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

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

#### **Business Responsibility Statement**

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereof for the time-to-time, top 1000 listed companies are required to submit, as part of Annual Report, Business Responsibility Report, describing the initiatives taken by them from the environmental, social and governance perspective, in the format prescribed by SEBI. As the company falls under the list of top 1000 companies, as per the market capitalization as on 31<sup>st</sup> March, 2021, it is applicable to your company. The Business Responsibility Report of the Company for the year ended 31<sup>st</sup> March, 2021 is annexed to this report as **Annexure – VI**.

#### **Extract of the Annual Return**

In terms of Section 92 (3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014 the Annual return of the Company in form MGT 9 is annexed to this report as **Annexure – VII** and also available on the website of the Company at <http://www.sanghiment.com/>

#### **Familiarization Programme for Independent Directors**

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

#### **Listing**

The Company's equity shares are listed with the Stock Exchanges, namely National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Non-Convertible Debentures (NCDs) of the Company issued on private placement basis are listed on 'Wholesale Debt Market' segment of BSE Limited. The Company has paid the listing fees for the year 2021-22 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's 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 CO<sub>2</sub> 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
- Up-gradation of air pollution control systems like bag house and ESPs
- Real time monitoring of emission data through online continuous emission monitoring system
- Maintain 100% recycling of KPD in the process
- Enhancement of composite cement mix to enhance ash and slag utilization
- Regular carbon footprint analysis for greenhouse gas emission reduction
- Massive plantation in the entire complex
- Water audit has been carried out for optimization of water consumption in all the units

#### Conservation of Energy, Technology Absorption

<b>(a) Conservation of energy</b>		
(i)	the steps taken or impact on conservation of energy;	<ul style="list-style-type: none"> <li>• Installation of turbo blowers for SLC firing</li> <li>• Process optimization in Clinker and Cement plant</li> <li>• Optimization of compressors by arresting air leakages</li> <li>• Optimization of fuel fineness, excess air &amp; false air ingress and flow in Clinker plant</li> <li>• Installation of LED lights in place of conventional lights</li> <li>• Replacement of scatter ring in the raw mill to increase the mill output</li> <li>• Utilization of liquid and solid alternative fuel in the Klin</li> <li>• Reduction in electrical energy consumption in grinding process</li> </ul>
(ii)	the steps taken by the company for utilizing alternate sources of energy;	<ul style="list-style-type: none"> <li>• Provided advance feeding system for liquid &amp; solid alternative fuel &amp; raw material (AFR) system</li> <li>• Obtained regular permission for co processing of different types of hazardous &amp; non-hazardous waste in twenty categories under Hazardous &amp; Other Waste (Management &amp; Trans-boundary Movement) Rules.</li> <li>• Achieved 7% Thermal Substitution Rate (TSR) during the year.</li> <li>• Replacement of traditional fuel i.e. coal with liquid &amp; solid waste material generated from the chemical industries</li> <li>• Utilization of Industrial waste such as Pond ash, Iron Sludge &amp; Iron oxide as raw material in clinker manufacturing</li> </ul>
(iii)	the capital investment on energy conservation equipments	₹ 134 Lakhs
<b>(b) Technology absorption</b>		
(i)	the efforts made towards technology absorption;	<ul style="list-style-type: none"> <li>• The MIS Cell &amp; Energy Steering Committee is working on energy accounting and conservation program by handling issues associated with it.</li> <li>• The Company strives to implement latest technologies for energy efficiency, alternative resources &amp; minimize adverse impact on environment.</li> </ul>

		<ul style="list-style-type: none"> <li>The regular energy audit is carried out by the third party to identify the area for improvement.</li> <li>Participation in National / International seminar</li> </ul>
(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
<b>(c) Research and Development</b>		
(i)	Specific areas in which R&D carried out by the Company	<ul style="list-style-type: none"> <li>Improvement in existing production process(s)</li> <li>Energy conservation.</li> <li>Pollution Control</li> <li>Alternative Fuel and Raw Material</li> <li>Water conservation</li> </ul>
(ii)	Benefits derived as result of the above R&D	<ul style="list-style-type: none"> <li>Clinker quality improvement by raw mix optimization.</li> <li>Enhancement in TSR (Thermal Substitution Rate) by utilizing of liquid &amp; solid alternate fuel.</li> <li>Enhance fly ash addition in PPC</li> <li>Improvement in refractory lining practices by deploying two brick lining machine and achieved kiln lining work 18 mtr/day.</li> <li>Reduction in specific clay consumption.</li> <li>Improvement in clinker factor by adding high ash coal.</li> <li>Mineral Gypsum replaced by Chemical Gypsum after successful trails.</li> <li>Reduction in specific water consumption.</li> <li>Development of rain water harvesting reservoir.</li> </ul>
(iii)	Future Plan of Action	<ul style="list-style-type: none"> <li>Increase addition of fly ash in PPC production</li> <li>Replacement of Pond Ash by using waste material of Iron Industries i.e. iron sludge &amp; iron oxide in Raw Mix</li> <li>Reduction in clinker factor in PPC by 1%</li> <li>Up-gradation of clinker feeding circuit</li> <li>Installation of blasters at gypsum hoppers</li> <li>Implementation of heating pads at HRP bag filter hoppers</li> </ul>



		<ul style="list-style-type: none"> <li>• Load cell for Pozolana Slag Cement (PSC)</li> <li>• Replacement of DC motor to AC motor at raw mill hopper</li> <li>• Reduction in transmission line losses by replacement of old phase conductor</li> <li>• Up-gradation of pre-lignite ESP</li> <li>• Renovation of alkali ESP</li> <li>• Efficiency improvement in WHRS by modification of Alkali bypass Boiler circuit</li> </ul>
(iv)	Expenditure on R&D	During the year under review, the Company has incurred ₹ 123 Lakhs towards R & D Expenditure charged to revenue.

#### Foreign Exchange Earnings and Outgo

During the year under review, Foreign Exchange earnings was ₹ 455.90 Lacs and outgo was ₹ 1955.64 lacs including ₹ 31.02 lacs towards Capital Expenditure.

#### International Accreditations

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

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

#### Recognitions for Best Practices

Due to COVID-19 Pandemic, Safety Week and Environment Week function of mines were not organized during FY 2020-21.

#### Industrial Relations

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

#### Appreciation / Acknowledgement

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

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

For and on behalf of the Board

Place : Ahmedabad  
Date : 10<sup>th</sup> June 2021

**Ravi Sanghi**  
Chairman & Managing Director  
(DIN: 00033594)

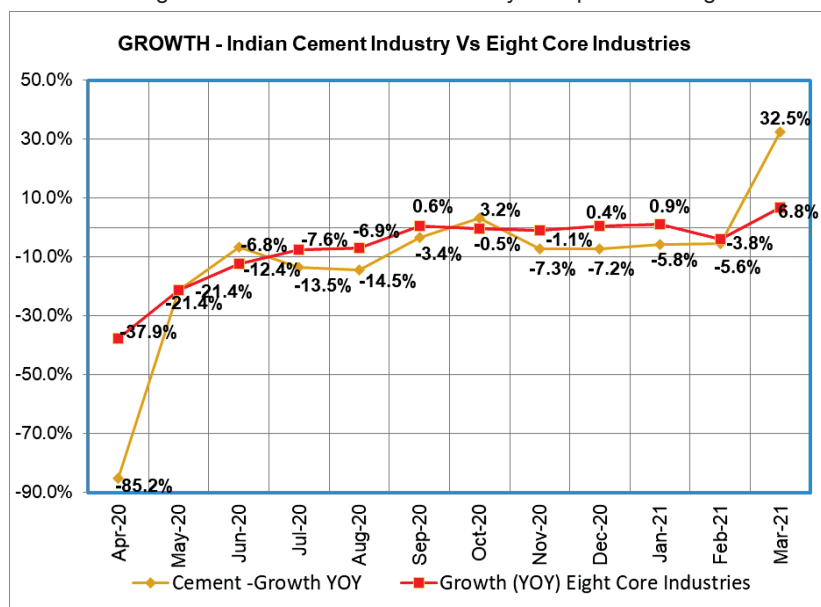
## MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 31<sup>st</sup> March 2021 ("FY-21"). 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)

The monthly growth trend during FY-21 of our cement industry compared to eight core industries of India is shown below.



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

During FY21, the whole world was under grip of pandemic and as a result the construction activity across these segments was severely hampered. The Indian cement industry saw a degrowth (production) of 11.9% in FY-21 compared to a degrowth of 0.8% in FY-20. The cement production was 294.47 million tonne in FY-21 against 334.37 million tonne in FY-20.

On the other hand, the second half of FY21 witnessed amongst the highest monthly cement sales in the industry. India has a potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it. Our Government's continued focus on nation-wide infrastructure growth and various affordable housing projects, amongst other initiatives including smart cities, are expected to support demand for cement.

### Highlights on End-User Industries

#### Real Estate

The real estate sector is one of the most globally recognized sectors.

The Government's Pradhan Mantri Awas Yojana (PMAY) scheme is to provide affordable housing to economically weaker sections and low income group people through financial assistance and its objective is "Housing for All". The Union Budget of 2021 has made an allocation of ₹27500 crore for PMAY.

The houses completed under PMAY scheme in rural areas increased in FY-21 inspite of COVID pandemic, compared to FY-20, since rural areas were less impacted from COVID compared to urban areas.

Maharashtra and Gujarat were amongst the leading states which were contributors to completed construction of houses, houses approved and beginning of new constructions during FY-21

The construction activity gained momentum from third quarter of FY-21. The key factors were pent up demand of Lockdown period, availability of labour after receding cases of Covid and overall good monsoon also yielded income for the agricultural based areas.

### **Infrastructure**

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

Our Government has been increasing the budget allocation for infrastructure development year-on-year.

- In Union Budget 2021, the government allocated ₹60,241 crore for road work and ₹57,350 crore for National Highways.
- The National Infrastructure Pipeline (NIP), which was launched with 6,835 projects, has now expanded to 7,400 projects, with 217 projects worth ₹ 1.10 trillion completed.
- Three new dedicated freight corridors (East-Coast Corridor, East-West Sub Corridor and North-South Corridor) are expected to see investments of about ₹ 2.17 lakh crore.
- The Government has achieved record construction of highways at 13,298 km in 2020-21, inspite of Covid pandemic. This indicates a construction speed of around 37 km per day. A target of over 40 km a day has now been set. This includes construction of 8,169 km of national highways (NHs) from April 2020 to January 2021 during FY-21, at a speed of around 28.16 km per day. During the same period in the last fiscal year, 7,573 km of roads were constructed with a speed of 26.11 km per day.
- The Gujarat Government has presented a ₹ 2.27 lakh crore budget for the year 2021-2022, with major allocations to urban development, ports, water infrastructure, health infrastructure, and the Ahmedabad-Mumbai bullet train project. This is the state's largest budget so far.

### **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. OHSAS 18001:2007 (Occupational Health & Safety Management System Standard) has been replaced with new standard ISO 45001 (Occupational Health & Safety Management System)
4. ISO/ IEC 17025:2017 (NABL accreditation for Chemical and Mechanical Testing)

Due to COVID-19 pandemic, program of Mines Safety Week & Environment Week was not organised during FY-21.

#### **2. Sales**

The Company's average realization per bag of domestic cement was almost same in FY-21 over FY-20, marginal dip by 1% due to COVID pandemic

The Company had reduced its operations during first half of the FY21, being very active phase of COVID in 2020. The cement industry and our Company recovered in second half of FY21. Nearly 2/3<sup>rd</sup> of total volume sold was in the second half of FY21. For year as a whole, the Company's sales volume improved by 9% during FY-21.

**Sales Volume**

Product	FY-21 (lac mt)	FY-20 (lac mt)	Increase / - Decrease (based on full figures)
Cement	19.89	18.85	6%
Clinker	1.58	0.07	2028%
RMC (M <sup>3</sup> ) @	0.06	0.77	-92%
<b>Total</b>	<b>21.53</b>	<b>19.69</b>	<b>9%</b>

@ Company has sold its RMC plants, which comprised insignificant revenue mix, as it intends to focus on its core business, cement.

**Sales (₹Crore)**

Product	FY-21	FY-20	Increase / - Decrease
Cement Domestic	1157.56	1091.23	6%
Cement Export	4.99	14.94	-67%
Clinker Domestic	16.11	2.66	505%
Clinker Export	20.30	---	---
RMC (M <sup>3</sup> )	2.42	30.10	-92%
<b>Total Gross Sales</b>	<b>1201.38</b>	<b>1138.93</b>	<b>5%</b>
<b>Less : GST</b>	<b>265.39</b>	<b>251.49</b>	<b>6%</b>
<b>Net Sales</b>	<b>935.99</b>	<b>887.44</b>	<b>5%</b>

**Realisations**

There was marginal dip of about 1% in price realization for domestic cement compared to FY20.

**3. Costs**

The major cost analysis for FY-21 over FY-20 is given below.

- The raw material cost per tonne of sale reduced by 43% in FY-21 over FY-20. In FY-20, due to production constraints, the Company's clinker purchase was significant in the total raw material cost.
- Power and fuel cost per tonne of sale increased by 2% in FY-21. The Company is importing coal at its own port with minimal inward freight. By blending higher quality coal with lignite, Company is able to achieve improved consistency in production and better quality of clinker.
- Selling and distribution cost per tonne of sale has reduced by 9% in FY-21 due to savings in per tonne average logistic cost.
- The other operating expenditure reduced by 27%. The administrative expenditure has reduced mainly because of decrease in repairs and maintenance cost by around 50%.

**4. Profits and Margins**

The Company has earned Profit before Depreciation, Interest and Tax (PBDIT) of ₹249.45 crore in FY-21 against ₹205.39 crore in FY-20, an increase by 21%.

The PBDIT margin to Net Income was 26.3% for FY-21 and 22.8% for FY-20.

The profit before tax increased by 72% in FY-21 to ₹112.56 crore over FY-20 amount of ₹65.35 crore and profit after tax was ₹78.17 crore and ₹65.35 crore respectively for FY-21 and FY-20.

The Company has exercised option under S.115BAA of Income Tax Act, 1961. As per the provisions applicable therein, the MAT credit will not be available for future set off and therefore, the balance under MAT credit of ₹27.53 crore has been written off in the quarter ended 31<sup>st</sup> March 2021 in the Profit and Loss statement. This is a one-time impact.

Further, Company has made Deferred Tax provision of ₹6.86 crore during FY-21.

#### 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 Ratio FY-21 : 3.41 FY-20 : 2.63	Interest coverage ratio improved by around 30% in FY-21 due to increase in relevant profit by 22%, while finance cost reduced by 6%.
Operating Profit Margin FY-21 : 18.8% FY-20 : 14.7%	Operating Profit is Profit after Depreciation but before Finance Cost and Tax and excludes other income. The primary reason for increase in this margin is increase in sales and decrease in various cost as explained above. The operating profit increased by 36% to ₹177.01 crore in FY-21 from ₹130.50 crore in FY-20.

#### 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. Shri Ravi Sanghi is the Chairman and Managing Director of the Company, who conducts the day-to-day management of the Company, subject to the supervision and control of the Board of Directors. The Composition of the Board is in conformity with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition and category of Directors as on 31<sup>st</sup> March, 2021 is as under:

Sl. No.	Category	Name of Director
I.	Executive Directors	Shri Ravi Sanghi – Chairman and Managing Director (Promoter) Shri Aditya Sanghi – Whole Time Director (Promoter) Shri Alok Sanghi – Whole Time Director (Promoter) Smt. Bina Engineer – Whole Time Director Shri N. B. Gohil – Whole Time Director
II.	Non-Executive (Independent Directors)	Shri Sadashiv Sawrikar Shri D. B. N. Rao Shri D. K. Kambale Shri M. K. Doogar* Shri S. Balasubramanian Ms. Raina Desai

\* Due to his sad demise, ceased to be an Independent Director w.e.f. 4<sup>th</sup> May, 2021.

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 2020-21, four (4) Board Meetings were held on 24<sup>th</sup> June, 2020, 11<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020 and 29<sup>th</sup> January, 2021. 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.

Due to COVID-19 pandemic, all the meetings of Board of Directors were held in Virtual mode through Video Conference / Other Audio Visual Means.



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

Names of Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the Last AGM	No. of Directorships of Other Companies**	No. of Membership of other Board Committees#	No. of Chairmanship of other Board Committees#
Shri Ravi Sanghi	4	4	Yes	1	-	-
Shri Aditya Sanghi	4	4	Yes	3	-	-
Shri Alok Sanghi	4	4	Yes	3	-	-
Smt. Bina Engineer	4	4	Yes	1	-	-
Shri N. B. Gohil	4	4	Yes	2	-	-
Shri Sadashiv Sawrikar	4	4	Yes	2	-	-
Shri R. K. Pandey <sup>^</sup>	4	1	-	-	-	-
Shri D. K. Kambale	4	4	Yes	2	3	-
Shri D. B. N. Rao	4	4	Yes	3	-	-
Shri M. K. Doogar <sup>*</sup>	4	4	Yes	4	4	4
Shri S. Balasubramanian	4	4	Yes	5	4	2
Ms. Raina Desai	4	4	Yes	3	-	-

<sup>^</sup> Due to his resignation, ceased to be an Independent Director w.e.f. 3<sup>rd</sup> July, 2020

<sup>\*</sup> Due to his sad demise, ceased to be an Independent Director w.e.f. 4<sup>th</sup> May, 2021.

\*\*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 Sadashiv Sawrikar	1	Sanghi Industries Ltd.	Independent Director
Shri D. K. Kambale	2	Sanghi Industries Ltd. Lloyds Metals and Energy Ltd.	Independent Director Independent Director
Shri D. B. N. Rao	2	Sanghi Industries Ltd. Hemadri Cements Ltd.	Independent Director Independent Director
Shri M. K. Doogar <sup>*</sup>	4	Sanghi Industries Ltd. Kamdheni Ltd. Morgan Ventures Ltd. Frick India Ltd.	Independent Director Independent Director Independent Director Independent Director
Shri S. Balasubramanian	5	Sanghi Industries Ltd. Emami Paper Mills Ltd. TTK Healthcare Ltd. Ucal Fuel Systems Ltd. GVK Power & Infrastructure Ltd	Independent Director Independent Director Independent Director Independent Director Independent Director
Ms. Raina Desai	1	Sanghi Industries Ltd.	Independent Director

<sup>\*</sup> Due to his sad demise, ceased to be an Independent Director w.e.f. 4<sup>th</sup> May, 2021.

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 on the Board.

#### Familiarization Programme

In order to enable the Independent Directors of the Company to fulfill their role in the Company and to keep them updated, various presentations are made on business models, business opportunities, new initiatives taken by the Company, changes taking place in the Industry scenario etc. The company has organized plant visit for independent Directors for their better understanding of the manufacturing process of clinker and cement. During plant visit, the respective department heads/ technical heads have explained in detail about the manufacturing and other operational facilities at the Plant. The details of the familiarization programme of Independent Directors of the Company is available on the website of the Company at the following link: <http://www.sanghiment.com/independent-director>

**Shareholding of Non-Executive Directors as on 31<sup>st</sup> March, 2021 is as follows:**

Name of Directors	Number of Equity Shares of Rs 10/- each of the Company
Shri Sadashiv Sawrikar	NIL
Shri D K Kambale	NIL
Shri S. Balasubramanian	NIL
Shri D B N Rao	NIL
Shri M.K. Doogar*	NIL
Ms. Raina Desai	NIL

\* Due to his sad demise, ceased to be an Independent Director w.e.f. 4<sup>th</sup> May, 2021.

**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.**

Shri Radha Krishna Pandey resigned as an Independent Director from the Company w.e.f. 3<sup>rd</sup> July, 2020 on account of personal reasons. A necessary confirmation to that effect is obtained from him which is accepted by Company and has been disseminated to the Stock Exchanges.

### 3. Committees of the Board of Directors

#### a. Audit Committee

The constitution, powers, role and terms of references of the Audit Committee are as required under Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

#### I. Brief description of Terms of Reference:

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- To review and monitor the Auditors' independence, scope, performance and effectiveness of audit process and their reports and discussion on significant findings and follow up thereon;
- To review internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower mechanism;
- Scrutiny of loans, advances and investments including review of utilization of loans and / or advances from the investments by the holding Company in the subsidiary exceeding ₹100 Crore or 10% of the asset size of the subsidiary whichever is lower, valuation of undertakings or assets of the company, wherever it is necessary and to approve the transactions of the company with related parties and any subsequent modification thereto;

- To review the quarterly (un-audited) and annual financial statements before the same are submitted to the Board and to oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidates;
- To review with the management the application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board and to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, if any;
- To carry out any other function that relates to accounts and audit of the company.

## II. Composition and Attendance:

During the year 2020-21, four (4) meetings of Audit Committee were held on 24<sup>th</sup> June, 2020, 11<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020 and 29<sup>th</sup> January, 2021.

Due to COVID-19 pandemic, all the meetings of the Audit Committee were held in Virtual Mode through Video Conference / Other Audio Visual Means.

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	4	4
Shri R. K. Pandey <sup>^</sup>	Member	4	1
Shri D. K. Kambale	Member	4	4
Shri D B N Rao <sup>#</sup>	Member	4	3

<sup>^</sup> Ceased to be a member of the Committee w.e.f. 3<sup>rd</sup> July, 2020.

<sup>#</sup> Appointed as a member of the Committee w.e.f. 31<sup>st</sup> July, 2020.

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

The 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 new loans and facilities, negotiate and finalize the terms, acceptance of sanction letters, loan documents, security documents such as mortgage,

hypothecation deeds etc. and such other related matters with respect to obtaining new loans/facilities or change in the terms and conditions of existing loans within the overall limits of the board powers.

- To convey acceptance of Sanction Letters, to approve the execution of Letters of Acknowledgment of Debts, Revival Letters, to negotiate, deal, and make settlement with Lenders, Balance Confirmation Letters that may be received from various Banks and Financial Institutions.
- To approve the exercise of guarantees as may be required by Banks, Financial Institutions, Central Excise, Customs and Sales Tax authorities etc. on any matter pertaining to the working affairs of the Company.
- To review and approve short term and long term investment transactions, including deployment of surplus funds in various instruments.
- To review and approve from time to time various business arrangements, projects, purchase of equipments and apparatus for the existing and new business.
- To approach and negotiate with various debtors and creditors with proposals to settle the outstanding dues etc., and to approve the execution of any type of payment arrangement with the consenting parties etc.
- To make recommendations to the Board relating to the capital structure and issuance of securities etc., including the authority to approach Investors (Institutional/ Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary.
- To open, operate and close bank accounts with various Banks as may be necessary from time to time and to delegate authority to any of the Officials of the Company to open, operate and conduct all required banking transaction including issue, negotiate and receive cheques, bills of exchanges, letter of credit, promissory notes, hundies etc. and close the Banking accounts so opened and execute necessary documents to open, operate and close the bank accounts, subject to such ceiling as committee may in its discretion decide for the transactions to be entered into by such officials of the Company.
- To make and submit whether by committee itself or delegate authority to the Officials of the Company various representations, applications, agreements etc., as may be necessary from time to time with various Banks and Financial Institutions including Letters of Credits, Amendments to Letters of Credit etc., among others for availing financial assistance - long term and short term including working capital proposals, restructuring of the said financial assistance etc.
- To make and submit whether by committee itself or to delegate authority to the Officials of the Company to apply for various telephone, telex and facsimile, internet connections etc., to the Department of Telecommunications or to the Private Telephone Operators etc.
- To enter and/or to delegate authority to officials of the company for entering into all sorts of business agreements, contracts with the parties for procurement of machineries, equipments, godowns, warehouses, stockyards, opening of branch office, representative office, to set up packing and storage facilities to construct terminals etc.
- To file, defend and to grant and delegate authority to the Officials of the Company to file and defend various legal cases as may be necessary from time to time for recoveries of monies due to the Company or as may be filed against the Company including the powers to engage counsel and submit evidence both oral and written in this regard subject to obtaining the approval of the Board for defending important and vital legal disputes.
- To grant and delegate authority to the Officials of the Company to represent the Company before Central Excise and Customs, Sales Tax, Municipal and Local Government authorities, Income Tax authorities, Reserve Bank of India and Court of Law and any other judicial body and such other Governmental/Non-Governmental/Quasi Governmental authorities as may be necessary from time to time on behalf of the Company.
- To make contributions to any Charitable or Religious or Political purposes as may be permissible from time to time subject to the various provisions of various laws as may be in force or to delegate authority to any officials of the Company in this regard subject to such restrictions laid down by the various laws.

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

## II. Composition and Attendance:

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

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

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

## c. Nomination and Remuneration Committee

The constitution, powers, role and terms of reference of the Nomination and Remuneration Committee are as required under Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

## I. Brief description of Terms of Reference:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal and shall carry out evaluation of Directors' performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board, all remuneration in whatever form payable to the senior management.
- To recommend to the Board, a policy relating to the remuneration for the other executive Directors.

## II. Composition and Attendance:

During the year 2020-21, one (1) meeting of Nomination and Remuneration Committee were held on 24<sup>th</sup> June, 2020.

Due to COVID-19 pandemic, the meeting of the Nomination and Remuneration Committee was held in Virtual Mode through Video Conference / Other Audio Visual Means.

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
Shri R K Pandey <sup>^</sup>	Member	1	1
Shri M K Doogar <sup>**</sup>	Member	1	0
Smt. Raina Desai <sup>@</sup>	Member	1	NA

^ Ceased to be a member of the Committee w.e.f. 3<sup>rd</sup> July, 2020.

# Appointed as member of the Committee w.e.f. 11<sup>th</sup> August, 2020.

\* Due to his sad demise, ceased to be a member of the Committee w.e.f. 4<sup>th</sup> May, 2021.

@ Appointed as member of the Committee w.e.f. 18<sup>th</sup> May, 2021.

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

### III. Performance Evaluation Criteria of Independent Directors:

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

### IV. Remuneration Policy:

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

### d. Stakeholders Relationship Committee

In terms of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Stakeholders Relationship Committee of the Company is in place.

### I. Brief description of Terms of Reference:

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

### II. Composition and Attendance:

During the year 2020-21, one (1) meeting of Stakeholders Relationship Committee was held on 29<sup>th</sup> January, 2021.

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 R. K. Pandey <sup>^</sup>	Chairman	1	0
Shri D B N Rao <sup>#</sup>	Chairman	1	1
Shri Sadashiv Sawrikar	Member	1	1
Shri Ravi Sanghi	Member	1	1



^ Ceased to be a chairman and member of the Committee w.e.f. 3<sup>rd</sup> July, 2020.

# Appointed as a chairman of the Committee w.e.f. 11<sup>th</sup> August, 2020.

The Chairman of the Stakeholders Relationship Committee is an Independent Director of the Company. The Company Secretary acts as a Secretary and Compliance officer of the Company. The Company does not pay any sitting fees to the members for attending the Stakeholders Relationship Committee meetings.

**e. Corporate Social Responsibility Committee**

As required under Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee. The Corporate Social Responsibility committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 for the purpose of determining the activities to be undertaken by the Company towards the Corporate Social Responsibility (CSR).

**I. Brief description of Terms of Reference:**

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

**II. Composition and Attendance:**

During the year 2020-21, two (2) meetings of the Corporate Social Responsibility Committee were held on 24<sup>th</sup> June, 2020 and 29<sup>th</sup> January, 2021.

Due to COVID-19 pandemic, all the meetings of the CSR Committee were held in virtual mode through Video Conference / Other Audio Visual Means.

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 R K Pandey <sup>^</sup>	Chairman	2	1
Shri S. Balasubramanian <sup>#</sup>	Chairman	2	1
Shri Aditya Sanghi	Member	2	2
Shri N. B. Gohil	Member	2	2

^ Ceased to be a chairman and member of the Committee w.e.f. 3<sup>rd</sup> July, 2020.

# Appointed as a chairman of the Committee w.e.f. 11<sup>th</sup> August, 2020.

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

**f. Risk Management Committee**

Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, requires top 500 listed companies (determined on the basis of market capitalization as at the end of the immediate previous financial year) to constitute Risk Management Committee. The Company is not falling under the list of top 500 listed companies as on 31<sup>st</sup> March, 2021. Hence, it is non-mandatory requirement for the company till 31<sup>st</sup> March 2021.

However, SEBI, vide its notification dated 5<sup>th</sup> May, 2021, recently 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



31<sup>st</sup> March of every year) to formulate the Risk Management Committee and to comply with the other requirements as stated in the amended provision.

However, 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 will abide by the requirements of amended Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations during the year 2021-22

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

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

**II. Composition and Attendance:**

It is not mandatory to convene meeting of Risk Management Committee, hence no meeting was held during the year 2020-21.

The composition of the Committee is mentioned as under:

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

**g. Independent Directors' Meeting**

As per the provisions of the Schedule IV of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. During the year under review, one meeting of the Independent Directors was held on 29<sup>th</sup> January, 2021. All Independent Directors were present at the meeting. Due to COVID-19 pandemic, the meeting of the Independent Directors was held in virtual mode through Video Conference / Other Audio Visual Means.

At the meeting the Independent Directors reviewed the performance of the Non Independent Directors (Including the chairman) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management. The Independent Directors were satisfied with the performance of the Executive Directors of the Company and with the flow of information between the Company Management and the Board of Directors.

**4. Managerial Remuneration:**

**Executive Directors**

The Managing Director / Executive Director(s) are paid remuneration in accordance with the approval of the Board and of the Company in General Meeting and such other approvals as may be required, if any. The remuneration structure of the Managing Director / Executive Director(s) comprises of salary, perquisites and allowances, contributions to Provident Fund, Superannuation Fund, Gratuity etc.

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

Name of Director	Shri Ravi Sanghi	Shri Aditya Sanghi	Shri Alok Sanghi	Smt. Bina Engineer	Shri N B Gohil
Designation	Chairman & Managing Director	Executive Director	Executive Director	Executive Director	Executive Director
Period of Appointment or re-appointment	Five Years w.e.f. 01.09.2020	Five Years w.e.f. 06.09.2017	Five Years w.e.f. 06.09.2017	Three Years w.e.f. 06.09.2019	Three Years w.e.f. 22.12.2020
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 31<sup>st</sup> March, 2021 \*\* towards Salary of Chairman & Managing Director and Executive Director(s) are as follows:

(₹ in Lakhs)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Salary and Allowances	128.91	331.44
Commission	115.45	173.17

\*\* Due to Covid-19 pandemic and consequent Lockdown, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors have foregone their salary as a whole from the month of April 2020 to June 2020 and 25% of their Salary from the month of July 2020 to September 2020.

Smt. Bina Engineer and Shri N B Gohil, Executive Directors have foregone their 30% Salary from the month of April 2020 to June 2020 and 25% salary from the month of July 2020 to September 2020.

The Company has not formulated any scheme for giving stock options to its employees. Hence, no stock options have been granted to the Chairman & Managing Director and Executive Directors for the year 2020-2021.

#### Non-Executive Directors

None of the Non-Executive Directors have any pecuniary interest or transactions with the Company, except receiving sitting fee of ₹ 30,000/- (Rupees Thirty Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of ₹ 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 of Directors and for attending the Independent Directors meeting.

During the year ended 31<sup>st</sup> March, 2021, the Company has paid the following amount towards sitting fees 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	180000	Shri M K Doogar*	130000
Shri R K Pandey^	60000	Shri S. Balasubramanian	140000
Shri D K Kambale	180000	Ms. Raina Desai	130000
Shri D B N Rao	160000		

^ Due to his resignation, ceased to be an Independent Director w.e.f. 3<sup>rd</sup> July, 2020.

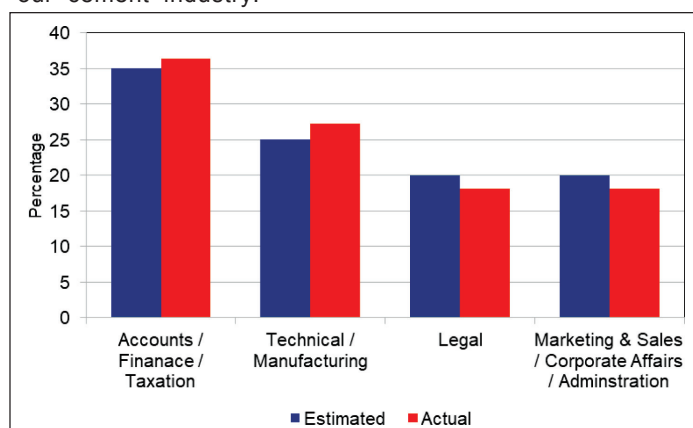
\* Due to his sad demise, ceased to be an Independent Director w.e.f. 4<sup>th</sup> May, 2021.

**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 Eleven Directors with adequate composition of required skills / expertise/ competencies for our 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 DIN: 00033594	1 <sup>st</sup> July 1952	14 <sup>th</sup> 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.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Aditya Sanghi, Executive Director DIN : 00033755	18 <sup>th</sup> September, 1982	27 <sup>th</sup> 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 <sup>th</sup> January, 1984	27 <sup>th</sup> 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 <sup>th</sup> April, 1967	27 <sup>th</sup> 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 11 <sup>th</sup> May 2018 at Delhi.
Shri. Nirubha B. Gohil, Executive Director DIN : 05149953	16 <sup>th</sup> June, 1950	22 <sup>nd</sup> December, 2011	Diploma in Mechanical Engineering. He is aged about 70 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.
Shri Sadashiv Sawrikar, Independent Director DIN : 02073022	10 <sup>th</sup> August, 1954	1 <sup>st</sup> November, 1988	B Com, LLB, Chartered Accountant. He is aged about 66 years and is having a Rich and varied experience in Finance, Corporate Restructuring and other various Finance Related Areas.
Shri Devidas Kashinath Kambale, Independent Director DIN : 00020656	1 <sup>st</sup> June, 1951	12 <sup>th</sup> August, 2011	M.Com, CAIIB, MFM. He is aged about 69 years and is having a rich and varied experience in Banking and Finance. He is the former Chief General Manager in IDBI and he was IDBI's nominee on Board of Directors of various companies.

Name of Director & DIN	Date of Birth	Date of First Appointment	Brief resume, Qualification Expertise and Experience
Shri Dabir Badri Narayan Rao, Independent Director DIN : 01180539	14 <sup>th</sup> April, 1947	22 <sup>nd</sup> December, 2011	BE in Mechanical Engineering, M Tech in Design and Production Engineering and Diploma Holder in Cement, Building Materials & Construction Technology from Manila. He is aged about 74 years and is having a rich and Varied experience in Erection & Commissioning, Operations and Maintenance of Cement Plants. Associated with many Private and Government Cement Sector Organisations.
Shri Sundaram Balasubramanian, Independent Director DIN: 02849971	3 <sup>rd</sup> November, 1942	9 <sup>th</sup> 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.
Shri Mahendra K. Doogar,* Independent Director DIN :00319034	1 <sup>st</sup> July, 1951	11 <sup>th</sup> February, 2016	Graduate from Commerce Stream and a qualified Chartered Accountant. He was in practice since 1976 and acquired wide experience and exposure in the field of Corporate finance, Taxation, Statutory and Internal Audit, Investment banking.
Ms. Raina Desai Independent Director DIN : 05113035	8 <sup>th</sup> January 1991	5 <sup>th</sup> February, 2020	She is a lawyer from Jindal Global Law School & a Commerce Graduate from University of Calcutta, is a young & dynamic entrepreneurial professional having core focus in Corporate Law, Corporate Governance and Strategy & Business Management.. Currently, Ms. Raina D. Desai, Director — Corporate Advisory Services and M&A in Baker Tilly DHC & Baker Tilly Global Centre of Excellence, a leading consultancy firm providing services in the field of business and tax advisory & solutions, corporate finance advisory, assurance, risk advisory to a number of reputed corporates worldwide. Ms. Desai is affiliated to the Bar Council of Maharashtra & Goa.

\* Due to his sad demise, ceased to be an Independent Director w.e.f. 4<sup>th</sup> May, 2021.

#### Confirmation regarding Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations 2015 and are independent of the management.

#### 5. Subsidiary Company

As at 31<sup>st</sup> March 2021, 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](mailto: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 permitted time period. As on 31<sup>st</sup> March, 2021, no investor complaint out of the total complaints received during the year, was pending for redressal.

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

**The status of Investors' Complaints during the Financial Year 2020-21 as under:**

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

**7. General Body Meetings**

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

Year	Date	Venue	Time	No. of Special Resolutions passed
2020	21.08.2020	In Virtual Mode through Video Conferencing or other audio visual means	10.00 a.m.	4
2019	14.09.2019	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.00 a.m.	5
2018	03.07.2018	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.00 a.m.	3

The Company has neither passed any special resolution requiring a postal ballot during the Financial Year 2020-21 nor any special resolution is proposed to be conducted through postal ballot as on date of this report.

**8. Disclosures**

- Particulars of the related party transactions are listed out in Note 34 of the Notes of Accounts of Annual Report. However, there were no materially significant related party transactions during the financial year 2020-21 that may have potential conflict with the interest of the Company at large. The company has duly formed policy for related party transaction which is uploaded on the website of the Company at <http://www.sanghiment.com/policies>
- The Company is not having any subsidiary as on 31<sup>st</sup> March 2021 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.
- In accordance with the requirements of Section 177 (9) of the Companies Act, 2013 read with the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy approved by the Board. As per the policy in force, no



- person irrespective of the status or level is denied the access to the Audit Committee. The said policy is uploaded on the website of the Company at <http://www.sanghiment.com/policies>
- The Company has complied with all the mandatory requirements of the listing regulations, in respect to the Corporate Governance.
  - The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements (Regulations), 2015.

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

- The report of Auditors is with unmodified opinion with respect to the Audited Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 2021.
- The Internal Auditors report directly to the Audit Committee.
- 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.
- Board Disclosures – Risk management:  
The business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

## 9. Means of Communication

### A. Financial Results:

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

### B. News Releases, Presentations etc:

Official News releases, press releases and presentation made to the Analysts, institutional investors etc. are displayed on the website of the Company <http://www.sanghiment.com/investors-relations>

### C. Website:

The Company's Website [www.sanghiment.com](http://www.sanghiment.com) contains a separate dedicated section namely "Investors' Relations" where the useful information for the Shareholders is available.

## 10. General Shareholder Information

### A. General Information:

<b>Annual General Meeting</b> Day, Date & Time Venue	: On or before 30 <sup>th</sup> September, 2021 : at Sanghinagar PO. Hayatnagar Mandal, : Ranga Reddy District, Telangana – 501511. This is registered office address which will be Deemed venue of meeting in case of virtual meeting to be held through Video Conferencing / OAVM.
<b>Financial Year / Calendar</b>	: <b>1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022</b>
1. Results for first quarter ending 30 <sup>th</sup> June, 2021	: On or before 14 <sup>th</sup> August, 2021
2. Results for second quarter ending 30 <sup>th</sup> September, 2021	: On or before 14 <sup>th</sup> November, 2021
3. Results for third quarter ending 31 <sup>st</sup> December, 2021	: On or before 14 <sup>th</sup> February, 2022
4. Results for fourth quarter ending 31 <sup>st</sup> March, 2022	: On or before 30 <sup>th</sup> May, 2022



<b>Listing on Stock Exchanges</b> Equity Shares     Debt Securities (Debentures)	: <b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  : <b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051  : <b>BSE Limited (BSE)</b> 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.
<b>Stock Code Equity</b> 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.  <b>Address for Correspondence</b> Registered office of the Company

**B. Share Transfer System:**

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

As on 31.03.2021 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 2020-21 are as under:

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	Apr-2020	24.75	18.65	24.40	18.70
2	May-2020	19.00	15.15	19.10	14.00
3	Jun-2020	28.85	16.10	28.80	16.35
4	Jul-2020	26.00	20.20	26.10	20.20
5	Aug-2020	32.65	22.75	32.60	22.75
6	Sept-2020	31.00	24.00	30.40	24.15
7	Oct-2020	32.35	23.00	32.45	22.95
8	Nov-2020	36.30	27.85	36.30	27.80
9	Dec-2020	36.90	28.20	36.80	28.40
10	Jan-2021	42.80	32.15	42.90	32.10
11	Feb-2021	46.00	36.25	46.00	36.15
12	Mar-2021	49.30	39.05	49.30	39.10

**D. Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2021**

No. of Shares	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	35986	76.14	6042310	2.40
501 – 1000	5192	10.99	4431296	1.77
1001 – 2000	2586	5.47	4138617	1.65
2001 – 3000	1039	2.20	2717472	1.08
3001 – 4000	437	0.92	1608999	0.64
4001 – 5000	557	1.18	2688874	1.07
5001 – 10000	772	1.63	5989890	2.39
10001 – and above	694	1.47	223382542	89.00
<b>Total</b>	<b>47263</b>	<b>100.00</b>	<b>251000000</b>	<b>100.00</b>

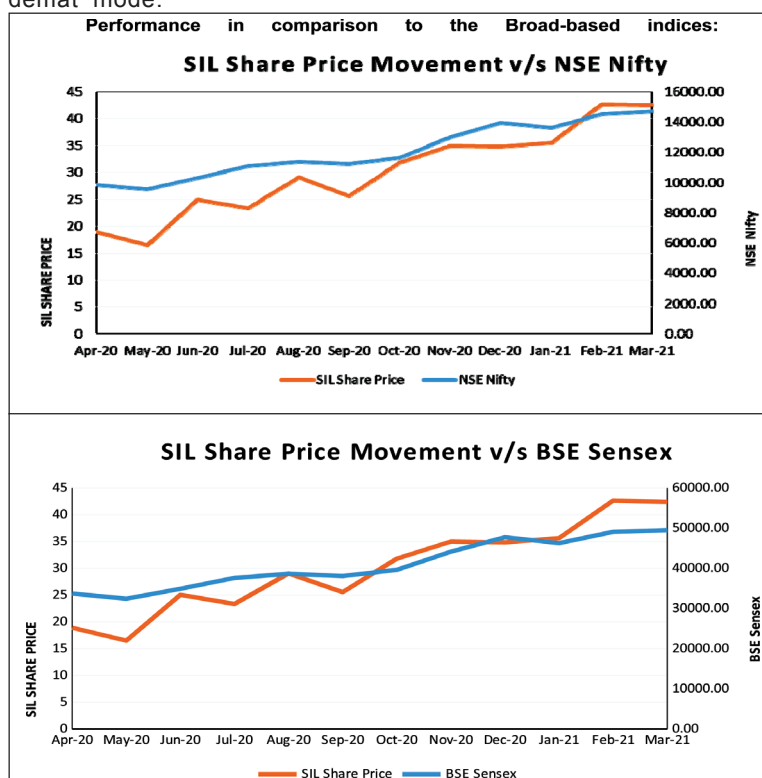
**E Distribution of Equity Shareholding according to categories of Shareholders as on 31<sup>st</sup> March, 2021:**

Category	No. of Shares	Amount (in ₹)	% to total
Promoter & Promoter Group	176530619	1,76,53,06,190	70.33
Public			
a) Mutual Funds	5588110	5,58,81,100	2.23
b) Alternative Investment Funds	0	0	0
c) Foreign Portfolio Investor	857853	85,78,530	0.34
d) FIs / Banks	941	9,410	0.00
e) Insurance Companies	0	0	0
f) FI	0	0	0
g) Non-resident Indians / OCBs	2040867	2,04,08,670	0.81
h) Trust	10000	1,00,000	0.00
i) Clearing Members	1266317	1,26,63,170	0.51
j) Bodies Corporate	8815298	8,81,52,980	3.51
k) Individual / HUF	55889995	55,88,99,950	22.27
<b>Total</b>	<b>251000000</b>	<b>251,00,00,000</b>	<b>100.00</b>

**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 31<sup>st</sup> March, 2021, 100% of the Equity Share Capital, representing 25,10,00,000 shares were held in demat mode.



**G. Non Convertible Debentures:**

The Company has issued following Non Convertible Debentures 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 ₹ 10,00,000/- each

**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 :**

At the beginning of the financial year 2020-21, the company had 2560 Secured, Listed, Rated, Redeemable, Non Convertible Debentures ("NCDs") of face value of ₹10,00,000/- each issued on Private Placement basis aggregating ₹256 Crore having Credit Rating – [ICRA] A (pronounced as ICRA A).

During the year under review, in the month of February 2021- the company has issued 3050 Listed, Rated, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 10,00,000/- each aggregating to ₹305 Crores (Rupees Three Hundred Five Crores Only) on Private Placement basis listed on 'Wholesale Debt Market' segment of BSE Limited. The Credit Rating of at the time of issue of this NCDs was "IND A" from India Rating & Research Pvt. Ltd.

The proceeds of above NCDs have been utilized for Early redemption of 2560 Secured, Listed, Rated, Redeemable, Non-Convertible Debentures of ₹10,00,000/- each aggregating to ₹256 Crores.

Consequent to above, as on 31.03.2021 the outstanding Non Convertible Debentures of the Company is ₹305 Crore which were issued on 23<sup>rd</sup> February 2021 having ISIN INE999B07036 and having Credit Rating "IND A" from India Rating & Research Pvt. Ltd

The Credit Rating of debt instruments as on 31.03.2021 are as under;

Instrument Type	Amount (Rupees in Crore)	Rating Agency	Rating	Outlook
Term Loan	122.00	India Ratings & Research Pvt. Ltd. (A Fitch Group Company)	IND A	Negative
Non-Convertible Debentures	305.00	India Ratings & Research Pvt. Ltd. (A Fitch Group Company)	IND A	Negative
Fund based limits	285.00	India Ratings & Research Pvt. Ltd. (A Fitch Group Company)	IND A	Negative
Non Fund based limits	40.00	India Ratings & Research Pvt. Ltd. (A Fitch Group Company)	IND A1	---
Term Loans	715.00	India Ratings & Research Pvt. Ltd. (A Fitch Group Company)	IND A	Negative

**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	0.06
<b>Total</b>	<b>0.36</b>

**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 Audit Report**

M/s. Parikh Dave & Associates, Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2020-21 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 Directors 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 2020-2021. The Code of Conduct is also posted on the website of the Company [www.sanghiment.com/policies](http://www.sanghiment.com/policies).

For and on behalf of the Board

Place : Ahmedabad  
Date : 10<sup>th</sup> June 2021

**Ravi Sanghi**  
Chairman & Managing Director  
(DIN: 00033594)

## CERTIFICATE

To,  
The Members,  
**SANGHI INDUSTRIES LIMITED**  
**CIN: L18209TG1985PLC005581**

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of **SANGHI INDUSTRIES LIMITED** (the Company) having its registered office situated at Sanghi Nagar, Hayatnagar, Tq. Ranga Reddy, Dist. Hyderabad, Telngana - 501511 which were produced before us by the Company (including receipt of documents by way of electronic means on account of ongoing pandemic of Covid - 19) for the purpose of issuing a certificate as stipulated in 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 Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA [www.mca.gov.in](http://www.mca.gov.in)), we hereby certify that none of the Directors on the Board of the Company as on 31.03.2021 have been debarred or disqualified from being appointed or continuing as a Directors of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

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<sup>th</sup> May 2021

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



## 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 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (b) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2021, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee, wherever applicable:
  - (a) significant changes in internal control over financial reporting during the year, if any;
  - (b) significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
  - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**Place** : Ahmedabad  
**Date** : 10<sup>th</sup> June 2021

**Ravi Sanghi**  
**Chairman & Managing Director**  
**(DIN: 00033594)**

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

## Annexure II

### **POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION**

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

#### **Objectives:**

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

#### **Role of Nomination and Remuneration Committee:**

The Committee shall perform the role for following matters:

#### **Criteria for appointment of Director:**

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

#### **Nomination of directors:**

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

#### **Evaluation of Director:**

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

#### **Consultative role:**

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

Senior Management of the Company consist of:

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

#### **Evaluation of KMP and Senior Management:**

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

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

**Duties of Nomination and Remuneration Committee:**

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

- To ensure that appropriate induction and training programme are in place for new Directors and members of Senior Management and to periodically review its effectiveness;
- To ensure that on appointment, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- To ensure that the Independent Directors continues to fulfill the Independence criteria as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- To determine the appropriate size, diversity and composition of the Board;
- To identify and recommend names of Directors who are to retire by rotation;
- To set up a formal and transparent procedure for selecting Directors for appointment to the Board;
- To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- To develop a succession plan for the Board and Senior Management and to regularly review the plan;
- To recommend necessary changes in the Board;
- To delegate any of its powers to the members or the Secretary of the Committee;
- To decide extension or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To recommend for continuation of term of Independent Directors who have attained the age of 75 years;
- To consider any other matters as may be requested by the Board.

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

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

**For and on behalf of the Board**

**Place :** Ahmedabad  
**Date :** 10<sup>th</sup> June 2021

**Ravi Sanghi**  
**Chairman & Managing Director**  
**(DIN: 00033594)**

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[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, 2021 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, 2021 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; - Not applicable during the year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 - Not applicable during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the year under review;
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

**We further report that:**

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

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including women 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 in due compliance of law. Agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate placed before the Board Meeting, we are of the opinion of that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines.

**We further report that:**

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

**We further report that:**

During the Audit period under review, the material event in pursuance of the abovementioned laws, rules, regulations, guidelines, standards, etc. is as mentioned below:

During the year under review, Company has issued and allotted 3,050 Listed, Rated, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹10,00,000/- each aggregating to ₹3,05,00,00,000/- (Rupees Three Hundred Five Crores Only) on Private Placement basis and got it listed on 'Wholesale Debt Market' segment of BSE Limited.

The proceeds of above NCDs have been utilized for early / pre-mature redemption of 2,560 Secured, Listed, Rated, Redeemable, Non-Convertible Debentures of ₹10,00,000/- each aggregating to ₹ 2,56,00,00,000 (Rupees Two Hundred Fifty Six Crores Only) which were issued in the month of March 2018 having ISIN INE999B07028.

Apart from the above, there were no instances of:

- a) Redemption / Buy back of Securities;
- b) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013.
- c) Merger / amalgamation / reconstruction, etc.
- d) Foreign technical collaborations.

**FOR PARIKH DAVE & ASSOCIATES  
COMPANY SECRETARIES  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020**

**PLACE : AHMEDABAD  
DATE : 17<sup>th</sup> May, 2021**

**UMESH G. PARIKH  
PARTNER  
FCS NO. 4152 CP. NO. 2413  
UDIN: F004152C000335285**

**Notes:**

1. This report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.
2. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers, disclosures from Directors and other records etc., received by us by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.



**ANNEXURE - A**

To,  
The Members,  
**SANGHI INDUSTRIES LIMITED**  
**CIN: L18209TG1985PLC005581**  
Sanghi Nagar, P.O.Hayatnagar,  
Tq. RangaReddy, Dist. Hyderabad,  
Telangana – 501511.

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

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

**FOR PARIKH DAVE & ASSOCIATES**  
**COMPANY SECRETARIES**  
ICSI Unique Code No.: P2006GJ009900  
Peer review Certificate No.: 796/2020

**PLACE : AHMEDABAD**  
**DATE : 17<sup>th</sup> May, 2021**

**UMESH G. PARIKH**  
**PARTNER**  
FCS NO. 4152 CP. NO. 2413  
UDIN: F004152C000335285

## 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 31<sup>st</sup> March, 2021;**

Sr. No.	Director	Remuneration (₹ in lacs P.A.) (Refer Note 1)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	244.36	6.05	40
2.	Shri Aditya Sanghi	143.66	6.05	24
3.	Shri Alok Sanghi	143.66	6.05	24
4.	Smt. Bina Engineer	165.54	6.05	27
5.	Shri N B Gohil	51.75	6.05	9

**Note -1**

Due to Covid-19 pandemic and consequent Lockdown, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors have foregone their salary as a whole from the month of April 2020 to June 2020 and 25% of their Salary from the month of July 2020 to September 2020.

Smt. Bina Engineer and Shri N B Gohil, Executive Directors have foregone their 30% Salary from the month of April 2020 to June 2020 and 25% salary from the month of July 2020 to September 2020.

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

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

**Note-2**

In addition to details mentioned in Note-1 above, Shri Anil Agarwal, Company Secretary has foregone his 20% salary from the month of April 2020 to June 2020.

The Other Directors are Non Executive Directors and are receiving sitting fee of ₹ 30,000 (Rupees Thirty Thousand Only) from the Company for attending each meeting of the Board and receiving sitting fee of ₹ 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/ of Directors and for attending the Independent Directors meeting.

- (iii)
- The percentage increase/decrease in the median remuneration of employees in the financial year:**
- 
- 4.78 % increase in median remuneration of employees of the Company.

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

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

The average increase/decrease in salaries of employees other than managerial personnel in 2020-21 was (4.60)% (Refer below Note-3). The Managerial remuneration is increased during the year by 27.80% (Refer below Note-4).

**Note-3**

Due to Covid-19 pandemic and consequent Lockdown, the Senior employees of the company have also foregone their 30%/ 20% /10% salary as per their respective slab of salary from the month of April 2020 to June 2020.

**Note-4**

There is no change in Managerial Remuneration during F Y 2020-21, This increase is reflected because during F Y 2019-20, Executive Directors have foregone their commission whereas during F Y 2020-21 they have availed their commission.

- (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 : 10<sup>th</sup> June 2021

**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.

**2. Composition of CSR Committee**

Our CSR committee comprises of following members:

- (a) Shri S. Balasubramanian, Chairman
- (b) Shri Aditya Sanghi, Member
- (c) Shri N B Gohil, Member

The details of number of meetings held and attended by the members are provided in the Corporate Governance Report which is attached to and forming part of Directors' Report.

**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. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
N.A.			

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

Particulars	(₹ In Crore)
Average net profits for last three financial years	70.42

**7. (a) Two percent of average net profit of the company as per section 135(5)**

Particulars	(₹ In Crore)
Prescribed CSR expenditure (2% of ₹ 70.42 Crore)	1.41

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

(c) Amount required to be set off for the financial year. Nil

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 1.41 Cr.

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ crores)	Amount Unspent (in ₹)				
	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
1.81	N.A.				

## (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation- Through Implementation Agency CSR Registration Number
N.A.										

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation- Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1	Animal Welfare Activity	Animal welfare	Yes	Gujarat	Kutch	0.10	Yes	NA	
2	Providing Medical Treatment and facilities.	Promoting health care including preventive health care	Yes	Gujarat	Kutch	30.42	No	Sarvodaya Trust	
3	Education activities- School Expenses	Promoting Education including special education and employment enhancing vocation skills	Yes	Gujarat	Kutch	36.90	No	Sarvodaya Trust	

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
4	Donation to Shree Swami Vivekanand Yuva Mandal for health improving activities to the economically backward community especially women, children, elderly and rural population affected by diseases.	Promoting health care including preventive health care, livelihood enhancement projects and empowering women.	Yes	Gujarat	Kutch	3.90	No	Shree Swami Vivekanand Yuva Mandal	
5	Green Belt Development	Ensuring the environment sustainability, ecological balance and protection of flora and fauna	Yes	Gujarat	Kutch	91.25	Yes	NA	
6	Expenses for measures taken for prevention of COVID 19	Promoting health care including preventive health care and sanitation	Yes	Gujarat	Kutch	13.54	Yes	NA	

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
7	Donation to Manav Kalyan Foundation to serve the under-privileged physically challenged people from all communities irrespective of their caste, creed and religion in the best possible manner.	Promoting health care including preventive health care, livelihood enhancement projects and empowering women.	No	Delhi	Delhi	0.51	No	Manav Kalyan Foundation	
8	Donation to "Teach to Lead" for education for under-privileged students	Promoting Education including special education and employment enhancing vocation skills	No	Gujarat	Ahmedabad	4.80	No	Teach to Lead	
<b>Total</b>						<b>181.42</b>			

- (d) Amount spent in Administrative Overheads: Nil  
(e) Amount spent on Impact Assessment, if applicable: N.A.  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 1.81 Cr.  
(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ in crores)
I.	Two percent of average net profit of the company as per section 135(5)	1.41
II.	Total amount spent for the Financial Year	1.81
III.	Excess amount spent for the financial year [(II)-(I)]	-
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
V.	Amount available for set off in succeeding financial years [(III)-(IV)]	-



## 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in Rs)	Date of transfer	
N.A.							

## (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
N.A.								

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s):NIL
- (b) Amount of CSR spent for creation or acquisition of capital asset:NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NIL
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):NIL

## 11. 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

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

Place : Ahmedabad  
Date : 9<sup>th</sup> June 2021

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

**Ravi Sanghi**  
Chairman & Managing Director  
(DIN: 00033594)

## Annexure-VI

**BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2020-21****Section A: General Information about the Company**

1	Corporate Identity Number (CIN)	L18209TG1985PLC005581	
2	Name of the Company	Sanghi Industries Limited	
3	Registered Address	Sanghinagar P.O. Hayatnagar Mandal, R R District, Telangana – 501 511.	
4	Website	www.sanghiment.com	
5	E-mail id	companysecretary@sanghiment.com	
6	Financial Year reported	2020-21	
7	Sector(s) that the Company is engaged in (industrial activity code wise)	Industrial Group	Description
		2394	Ordinary Portland and Portland Pozzolana Cement
8	List three key product/services that the Company manufactures/provides (as in balance sheet)	Cement Clinker RMC	
9	Total number of locations where business activity is undertaken by the Company: Number of International Locations Number of National Locations	NIL	
		Seven	
10	Markets served by the Company (Local/State/National/International)	Local - Yes State - Yes National - Yes International - Yes	

**Section B: Financial Details of the Company**

1	Paid up capital (INR)	₹ 251.00 Crore
2	Total turnover (INR)	₹ 948.17 Crore
3	Total Profit after taxes (INR)	₹ 78.17 Crore
4	Total Profit after taxes and other Comprehensive income (INR)	₹ 78.37 Crore
5	Total Spending on CSR as percentage of profit After tax (%)	The company has spent ₹1.81 crores during financial year 2020-21 which amounts to 2.57% of the average net profits for last three years.
6	List of activities in which expenditure in 5 above has been incurred	<ol style="list-style-type: none"> <li>1. Animal Welfare</li> <li>2. Promoting education including special education and employment enhancing vocation skills</li> <li>3. Promoting health care including preventive health care, livelihood enhancement projects and empowering women</li> <li>4. Ensuring the environment sustainability, ecological balance and protection of flora and fauna</li> <li>5. Measures for prevention of COVID 19 (Sanatization, Testing, Mask, etc.)</li> </ol>

**Section C: Other Details**

1	Does the Company have any Subsidiary Company / Companies?	As on 31 <sup>st</sup> March, 2021, the Company does not have any Subsidiary Company.
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?	Not Applicable
3	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]	No other entity / entities with whom Company does business i.e. suppliers, distributors, etc. do not participate in the BR initiatives of the Company.

**Section D: BR Information****1. Details of Director / Directors responsible for BR:****a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:**

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

**b) Details of the BR Head:**

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

**2. Principle-wise (as per NVGs) BR Policy / Policies:****a) Details of compliance (Reply in Y/N)**

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

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

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

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

Not Applicable

3. Governance related to BR:

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The management of the Company oversees the implementation and monitor the BR performance on periodical basis at-least annually.
2	Does the Company publish a BR or a Sustainability Report? What is the hyper-link published?	The Business Responsibility Report (BRR) is applicable to our company w.e.f. 31 <sup>st</sup> March, 2021. Company will publish BRR annually alongwith Annual Report.

**Section E: Principle-wise Performance**

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

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers / Contractors /NGOs / Others?	Company has adopted a policy of Code of Business Conduct and Ethics. The policy relating to ethics, bribery and corruption covers the Directors as well as employees of the organization. Additionally, the company has also adopted Code of Conduct for Vendors & Business Ethics Policy. The said policy covers suppliers / vendors / agents / contractors etc.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Total three complaints were received and all were resolved. There is NIL outstanding complaint as on 31.03.2021.

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	<p>The company manufactures Clinker &amp; different types of Cements such as Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC) and Portland Slag Cement (PSC).</p> <p>The company realize its obligations on environmental &amp; social governance. Therefore, the company has made all efforts to ensure that the product is manufactured in a safe, environment friendly and responsible manner. The company has constantly improved operational efficiencies, reduced waste generation, reuse and recycling it, reducing specific energy and water consumption over the years.</p> <p>The company has constantly improved operational efficiency, reduced waste generation, recycling and reuse of waste, reduced specific energy &amp; water consumption over the years.</p> <p>The company has adopted best in class technologies and processes to manufacture its product, utilizing optimum resources.</p> <p>Manufacturing process involves use of six stage three strings pre-heater, vertical roller mill, state of the art clinker loading terminals, surface miner for mining and closed circuit cement grinding systems which are most energy efficient and technologically advanced as on date. The company has implemented series of measures during the year such as increasing the amount of alternative raw material and fuels in the manufacturing process, increase of composite cement mix to increase the utilization of ash and slag. Thus saving natural resources. Regular carbon footprint analysis is being done to reduce greenhouse gas emissions and massive tree plantation has been done in the entire complex.</p>
2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):</p> <p>a) Reduction during sourcing / production / distribution achieved since the previous year through the value chain:</p> <p>b) Reduction during usage by consumers (energy, water) achieved since the previous year?</p>	<p>The company is committed to sustainable production and consumption. The company strives its best to reduce the specific resources consumed per unit of cement produced. The Company has conducted heat and mass balance for process optimization of clinker and cement manufacturing regularly.</p> <p>The plant has reduced their energy consumption by 2.5 % during 2020-21 compared to 2019-20. The specific water consumption has reduced by 1.2% compared to previous year by implementing water conservation initiatives.</p> <p>Not applicable as company does not collect any information on energy &amp; water from its customers.</p>
3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>Yes, the company has a sustainable sourcing strategy. The company ensures during the primary transport Vendor selection process that Vendors confirm to social, ethical and environment performance factors.</p> <p>This is ensured both through internal verification as well as contractual terms built into contracts. Company</p>

		<p>adhere to International Standard such as ISO 14001 (Environmental Management System) and ensure compliance of the national and international rules and regulations.</p> <p>Besides the environmental impacts during sourcing, transportation activities have also been assessed and adequate measures are taken for sustainable operation. The company has installed closed belt conveyor of 3.2 Km for transportation of Limestone from Mines to Clinker plant, preventive use of trucks for transportation, thereby reducing pollution as well as the risk of road safety incidents.</p> <p>The company has also established its own Jetty and fleet of Bulk Cement Carriers as a sustainable source of cement transportation through sea route.</p> <p>The company is utilizing Alternative Fuel &amp; Raw Material (AFR) in co-processing at the unit for which Alternative Fuel &amp; Raw Material (AFR) facility is developed. Permission for utilization of different Hazardous Waste as an AFR has been obtained from SPCB. The company is increasing the usage of AFR year on year to reduce the dependency on conventional fuels such as Coal.</p>
4	<p>Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?</p>	<p>Yes, the Company is procuring products and services from local producers/small scale vendors and communities surrounding to its plant location at a reasonably good price and on fair terms and conditions which is in their benefit so that they can improve their capacity / capability. The contractors who are engaged in operations, maintenance and housekeeping, mostly employ workmen from surrounding villages.</p>
5	<p>Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the Company has implemented a system to recycle product and waste.</p> <p>Fly ash and bottom ash which is generated from our own thermal power plant is utilized 100% in manufacturing of Portland pozollana Cement (PPC) in own cement manufacturing unit.</p> <p>100% substitution of natural Gypsum with industrial waste material called chemical gypsum. 70% recycling of Kiln Process Dust in to final product circuit. Waste water generated from our plant and colony is recycled and reused in dust suppression and greenbelt development.</p> <p>Approx 10 % TSR is being achieved through usage of AFR.</p> <p>Waste generated from the maintenance workshop &amp; vehicle repairing workshops is being segregated and collected. The waste like oil soaked cotton waste, used oil, steel scrap, batteries, hazardous waste etc are co-processed in the cement kiln and remaining quantum of these waste such as steel scrap, batteries, sold to the authorized recyclers and respective returns filled to the concerned regulatory body.</p> <p>The company has vigorously pursued its goal of sustainable development through exacting standard in environmental conservation, emission control, promotion of alternative fuel &amp; raw materials and waste management.</p>



**Principle 3: Business should promote the wellbeing of all employees**

1	Please indicate total number of employees	798			
2	Please indicate total number of employees hired on temporary/contractual/casual basis	840			
3	Please indicate the number of permanent women employees	19			
4	Please indicate the number of permanent employees with disabilities	2			
5	Do you have an employee association that is recognized by the Management?	No			
6	What percentage of permanent employees is members of this recognized employee association?	NA			
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<b>Sr. No.</b>	<b>Category</b>	<b>No. of Complaints filed during Financial Year</b>	<b>No. of complaints pending as on end of Financial Year</b>
		1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
		2	Sexual Harassment	Nil	Nil
		3	Discriminatory employment	Nil	Nil
8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	A.	Permanent employees		100%
		B.	Permanent women employees		100%
		C.	Casual / Temporary / Contractual employee		96%
		D.	Employees with disabilities		100%

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

1	Has the company mapped its Internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	The Company has identified the disadvantaged, vulnerable and marginalized stakeholders viz. communities around plants and its workers / contractual workers.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	<p>Company has established full-fledged hospital with full functioning Pathological Lab under the name of "Sarvodaya Health Care Centre" for the needy person of surrounding rural areas . Free Medical Check ups and free medicines are being provided to villagers of surrounding 15 villages.</p> <p>The Company is also running a CBSE affiliated High School "Smt. Kamla Rani Sanghi Public School" through Sarvodaya Trust at Sanghipuram, Kutch. The School is having its own building with adequate teaching and support staff, laboratories, library and a huge play ground. Apart from running this school, the Trust has opened Balwadies in the 3 nearby villages - Akri, Jadva &amp; Motibar. The Trust also encourages adult education in the nearby villages. Teachers of the school are moving in the nearby villages educating the children and adults by taking special classes. Further, the Company is Industry partner at ITI - Panandhro - Kutch in developing 'Centre of Excellence' through Public Private Partnership Scheme of Central Government for up-gradation of ITIs since 2008-09.</p> <p>Recently, looking to the dire situation due to Covid-19 pandemic, in the month of May-2021, the Company has set up a 100 bed "Covid Isolation Centre" including 30 Oxygen Beds in Nalia, Tal. Abdasa, Kutch, Gujarat in association with Shree Merchants Association, Nalia to help the people suffering from Covid-19 from neighboring areas of Kutch, Gujarat. Now, the citizens from rural areas are able to avail of the quarantine facility along with immediate treatment and nutrition support in Nalia and need not to rush to Bhuj City.</p>

**Principle 5: Business should respect and promote human rights:**

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

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

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/Contractors/ NGOs/ others.	The company has a Policy on Environment which is applicable to all operations of Sanghi Industries Limited.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/ N. If yes, please give hyper-link for webpage etc.	<p>Yes, the Company is committed to reduce GHG emissions from its operations. Various initiatives implemented to reduce overall GHG emissions are given as under:</p> <ul style="list-style-type: none"> <li>i. The company has conducted regular Carbon footprint analysis to study the total GHG emissions from Cement Manufacturing, Bulk terminals, RMC units and HO and Regional Offices and identified scope of improvement.</li> <li>ii. Improvement in blended cement ratio by using fly ash &amp; slag and reducing clinker factor</li> <li>iii. Continuous focus on use of alternative fuels for reduction of traditional fuel such as coal.</li> <li>iv. Continuous improvement on thermal &amp; electrical energy consumption.</li> <li>v. Increasing logistics through sea routes</li> <li>vi. Installation of waste Heat Recovery Plant for utilization of waste heat.</li> <li>vii. Utilization of fly ash and bottom ash generated from own thermal power plant in cement grinding.</li> <li>viii. Rainwater harvesting and afforestation to increase the green cover.</li> </ul>
3	Does the Company identify and assess potential environmental risks? Y/N	Yes, the company is developed a mechanism to identify and assess environmental risks at plant as well as corporate level and proper mitigation processes are formulated
4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The company has participated in CDM project in the year 2007 for installation of C2 string for energy efficiency. This project was designed to accrue 18636 Certified Emission Reduction for next 10 years. The company had obtained Host Country Approval.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	<p>Yes. The company is focusing on clean technology, energy efficiency and renewable energy. 15 MW waste heat recovery system is installed at clinker plant. The company is monitoring its specific electrical and thermal energy consumption and employs measures for improving energy efficiency.</p> <p>The company is also focusing on co-processing of industrial waste of other industries as alternative fuel &amp; raw material. The alternative fuel is reducing coal consumption &amp; during 2020-21 approx 8 % TSR is achieved at the unit.</p>

6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. The company implemented various measures to ensure complete compliance to the applicable emission / waste standards.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	No show cause / legal notices received from CPCB / SPCB which are pending as on end of the financial year.

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

1	Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.	The Company is a member of several industry associations through which it interacts with its peers and discusses key issues in the products which it manufactures. The major associations where the Company is a member are:- 1. Confederation of Indian Industry (CII) 2. Federation of Indian Mineral Industries (FIMI) 3. Cement Manufacturers' Association (CMA) 4. Gujarat Chamber of Commerce & Industry (GCCCI) 5. Federation of Kutch Industries Association (FOKIA) 6. Gujarat Mineral Industry Association (GMIA)
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	Yes. We continue to work with Associations for advocating good practices in the Industry, energy conservation, sustainable mining practices, use of alternative fuels, Economic Reforms, and Policy interventions in environment, climate change and sustainability.

**Principle 8: Business should support inclusive growth and equitable development**

1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has focused on developing the social infrastructure in the surrounding area where most villages suffered from chronic ills like limited livelihood options, acute scarcity of water, poor or no healthcare facilities, barren land and no set up for education. The Company is undertaking various socio-economic welfare activities relating to - Rural Development - Public Welfare & Charitable Work - Health & Education - Drinking Water Supply - Conservation of Wild Life - Protection of Environment - Maintaining sanitation & hygiene - Medical help to needy people - Preventive health care and sanitation  The above programs / initiatives are aligned with CSR Policy in line with Section 135 and Schedule-VII of the Companies Act, 2013.
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2	Are the programmes/projects undertaken through inhouse team/own foundation / external NGO / government structures/any other organization?	The Company is undertaking the above mentioned CSR activities either directly or through its registered trust called "SARVODAYA TRUST".
3	Have you done any impact assessment of your initiative?	All CSR activities are being monitored by the CSR Committee. The assessment is done through discussions among the Committee members/and CSR execution team and other participants for further improvement.
4	What is the Company's direct contribution to community development projects- Amount in INR and details of the projects undertaken?	The Company has spent ₹ 1.81 Crores on CSR activities during the year 2020-21 which includes animal welfare, education, health care & sanitation, Preventive health care and sanitation etc.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Company has developed monitoring mechanism for ensuring implementation of the projects / programs/ activities proposed to be undertaken by the Company.  Our team members identify the needs of the nearby community and supervise the programs which are being implemented and whether they are benefiting to them or not. The Company is always eager to promote new initiatives for community development.

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

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No customer complaints/consumer cases are pending as on the end of the Financial Year.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).	The company displays Product information as mandated by Bureau of Indian Standard (BIS)
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.If so, provide details thereof, in about 50 words or so.	There is no such case filed by any stakeholder during last five years and pending as on end of financial year i.e. 31.03.2021.
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	Yes, we do carry consumer survey for continuous improvement in our product and services.

For and on behalf of the Board

Place : Ahmedabad  
Date : 10<sup>th</sup> June 2021

**Ravi Sanghi**  
Chairman & Managing Director  
(DIN: 00033594)

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31<sup>st</sup> March, 2021

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

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L18209TG1985PLC005581
ii	Registration Date	14/06/1985
iii	Name of the Company	Sanghi Industries Limited
iv	Category/Sub-category of the Company	Company Limited by shares / Indian Non Government Company
v	Address of the Registered office & contact details	Sanghinagar P.O., Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511. Tel. No. 08415 – 242240 Fax No. 08415- 242239
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any. (Note -1)	Sanghi Industries Limited, Sanghinagar P.O., Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511. Tel. No. 08415 – 242240 Fax No. 08415- 242239

**Note-1:-** The Company has established In House electronic connectivity for Share Transfer Registry Work with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). All activities in relation to both Physical and electronic share transfer facility is maintained in house by the company itself.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Ordinary Portland and Portland Pozzolana Cement	2394	98.71%

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

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

## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## i) Category - wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2020)				No. of Shares held at the end of the year(31.03.2021)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	85251328	0	85251328	33.96	85251328	0	85251328	33.96	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	91279291	0	91279291	36.37	91279291	0	91279291	36.37	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>176530619</b>	<b>0</b>	<b>176530619</b>	<b>70.33</b>	<b>176530619</b>	<b>0</b>	<b>176530619</b>	<b>70.33</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>176530619</b>	<b>0</b>	<b>176530619</b>	<b>70.33</b>	<b>176530619</b>	<b>0</b>	<b>176530619</b>	<b>70.33</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	30408186	0	30408186	12.11	5588110	0	5588110	2.23	-9.89
b) Banks/FI	107736	0	107736	0.04	941	0	941	0.00	-0.04
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(a) Alternate Investment Funds	1377651	0	1377651	0.55	0	0	0	0.00	-0.55
(b) Foreign Portfolio Investor	10085321	0	10085321	4.02	857853	0	857853	0.34	-3.68
<b>SUB TOTAL (B)(1):</b>	<b>41978894</b>	<b>0</b>	<b>41978894</b>	<b>16.72</b>	<b>6446904</b>	<b>0</b>	<b>6446904</b>	<b>2.57</b>	<b>-14.16</b>



Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2020)				No. of Shares held at the end of the year(31.03.2021)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	6678663	0	6678663	2.66	8815298	0	8815298	3.51	0.85
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	12636550	0	12636550	5.03	29091847	0	29091847	11.59	6.56
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	11793252	0	11793252	4.70	26798148	0	26798148	10.68	5.98
c) Others (specify)									
NRI	892377	0	892377	0.36	2040867	0	2040867	0.81	0.46
Clearing Members	479645	0	479645	0.19	1266317	0	1266317	0.50	0.31
Trust	10000	0	10000	0.00	10000	0	10000	0.00	0.00
<b>SUB TOTAL (B)(2):</b>	<b>32490487</b>	<b>0</b>	<b>32490487</b>	<b>12.94</b>	<b>68022477</b>	<b>0</b>	<b>68022477</b>	<b>27.10</b>	<b>14.16</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>74469381</b>	<b>0</b>	<b>74469381</b>	<b>29.67</b>	<b>74469381</b>	<b>0</b>	<b>74469381</b>	<b>29.67</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>00.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>251000000</b>	<b>0</b>	<b>251000000</b>	<b>100.00</b>	<b>251000000</b>	<b>0</b>	<b>251000000</b>	<b>100.00</b>	<b>0.00</b>

## (ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the Beginning of the year (01.04.2020)					Shareholding at the end of the year(31.03.2021)					% change in share holding during the year
		No.of shares	% of total shares of the Company	% of Shares pledged (a)	% of Shares on which Non Disposal Undertaking (NDU) Created (b)	% of shares encumbered to total shares ( a+ b)	N.o. of shares	% of total shares of the Company	% of Shares pledged (a)	% of Shares on which Non Disposal Undertaking (NDU) Created (b)	% of shares onencumbered to total shares ( a+ b)	
1	Sri Ram Sharan Sanghi	187000	0.07	100.00	0.00	100.00	187000	0.07	100.00	0.00	100.00	0.00
2	Sri Ravi Sanghi	49869750	19.87	75.26	24.56	99.82	49869750	19.87	75.44	24.56	100.00	0.00
3	Sri Gireesh Sanghi	1342478	0.53	13.93	0.00	13.93	1342478	0.53	13.93	0.00	13.93	0.00
4	Smt. Kamala Rani Sanghi	140250	0.06	100.00	0.00	100.00	140250	0.06	100.00	0.00	100.00	0.00
5	Smt. Anita Sanghi	1020200	0.41	100.00	0.00	100.00	1020200	0.41	100.00	0.00	100.00	0.00
6	Smt. Alka Sanghi	1074150	0.43	13.06	0.00	13.06	1074150	0.43	13.06	0.00	13.06	0.00
7	Ms. Ekta Sanghi	343750	0.14	100.00	0.00	100.00	343750	0.14	100.00	0.00	100.00	0.00
8	Ms. Arti Sanghi	343750	0.14	100.00	0.00	100.00	343750	0.14	100.00	0.00	100.00	0.00
9	Sri Ravi Sanghi HUF	7866000	3.13	100.00	0.00	100.00	7866000	3.13	100.00	0.00	100.00	0.00
10	Sri Gireesh Sanghi HUF	7866000	3.13	100.00	0.00	100.00	7866000	3.13	100.00	0.00	100.00	0.00
11	Sri Aditya Sanghi	4959500	1.98	58.26	0.00	58.26	4959500	1.98	100.00	0.00	100.00	0.00
12	Sri Alok Sanghi	4959500	1.98	58.26	0.00	58.26	4959500	1.98	100.00	0.00	100.00	0.00
13	Sri Ashish Sanghi	2639500	1.05	100.00	0.00	100.00	2639500	1.05	100.00	0.00	100.00	0.00
14	Sri Gaurav Sanghi	2639500	1.05	100.00	0.00	100.00	2639500	1.05	100.00	0.00	100.00	0.00
15	SZF Private Limited	6884000	2.74	100.00	0.00	100.00	6884000	2.74	100.00	0.00	100.00	0.00
16	Sanghi Threads Private Limited	1754000	0.70	100.00	0.00	100.00	1754000	0.70	100.00	0.00	100.00	0.00
17	Sanghi Filaments Private Limited	2287500	0.91	100.00	0.00	100.00	2287500	0.91	100.00	0.00	100.00	0.00
18	Sanghi Poly Zips Private Limited	1482500	0.59	100.00	0.00	100.00	1482500	0.59	100.00	0.00	100.00	0.00
19	Sanghi Synthetics Private Limited	1675000	0.67	100.00	0.00	100.00	1675000	0.67	100.00	0.00	100.00	0.00
20	Alpha Zippers Private Limited	1675000	0.67	100.00	0.00	100.00	1675000	0.67	100.00	0.00	100.00	0.00
21	Fancy Zippers Private Limited	1468750	0.59	100.00	0.00	100.00	1468750	0.59	100.00	0.00	100.00	0.00
22	Balaji Zippers Private Limited	2775000	1.11	100.00	0.00	100.00	2775000	1.11	100.00	0.00	100.00	0.00
23	SKK Zippers Private Limited	3575000	1.42	100.00	0.00	100.00	3575000	1.42	100.00	0.00	100.00	0.00
24	Maruti Fastners Private Limited	1468750	0.59	100.00	0.00	100.00	1468750	0.59	100.00	0.00	100.00	0.00
25	Sanghi Polymers Private Limited	4700000	1.87	100.00	0.00	100.00	4700000	1.87	100.00	0.00	100.00	0.00
26	Samruddhi Investors Services Pvt.Ltd.	61533791	24.52	4.06	83.80	87.87	61533791	24.52	16.20	83.80	100.00	0.00
<b>Total:</b>		<b>176530619</b>	<b>70.33</b>	<b>56.04</b>	<b>36.15</b>	<b>92.19</b>	<b>176530619</b>	<b>70.33</b>	<b>62.67</b>	<b>36.15</b>	<b>98.82</b>	<b>0.00</b>

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

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
No Change					

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

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the Year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Nippon Life India Trustee Ltd. A/C Nippon India Growth Fund	5919110	2.36	5588110	2.23
2	Navdurga Voyage Private Limited	4003368	1.59	4003368	1.59
3	Ashish Agarwal	2020943	0.81	2020943	0.81
4	Suresh Kumar Agarwal	2000000	0.80	2000000	0.80
5	Mukul Mahavir Agarwal	0	0.00	1500000	0.60
6	Vardhman Jain	0	0.00	1197735	0.48
7	KMS Constructions Private Limited	668181	0.27	668181	0.27
8	Aman Pai	0	0.00	619602	0.25
9	Aditya Vikram Agarwal (HUF) .	4000	0.00	500531	0.20
10	Mrugankumar Kiran Mehta	114193	0.05	445637	0.18
11	Franklin India Smaller Companies Fund	8639643	3.44	0	0.00
12	Reliance Capital Trustee Co. Ltd. A/C Nippon India Multi Cap Fund	7539440	3.00	0	
13	Government Pension Fund Global	7430034	2.96	0	0.00
14	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	3512460	1.40	0	0.00
15	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	3260308	1.30	0	0.00
16	Ashmore India Opportunities Fund	1377651	0.55	0	0.00

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

Sl. No.	For Each of Director and Key Managerial personnel	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Shri Ravi Sanghi, Chairman and Managing Director</b>				
	At the beginning of the year	49869750	19.87	49869750	19.87
	Decrease / Increase in shareholder	0	0	0	0.00
	<b>At the end of the year</b>	<b>49869750</b>	<b>19.87</b>	<b>49869750</b>	<b>19.87</b>
2	<b>Shri Aditya Sanghi, Whole Time Director</b>				
	At the beginning of the year	4959500	1.98	4959500	1.98
	Decrease / Increase in shareholder	0	0.00	0	0.00
	<b>At the end of the year</b>	<b>4959500</b>	<b>1.98</b>	<b>4959500</b>	<b>1.98</b>
3	<b>Shri Alok Sanghi, Whole Time Director</b>				0.00
	At the beginning of the year	4959500	1.98	4959500	1.98
	Decrease / Increase in shareholder	0	0.00	0	0.00
	<b>At the end of the year</b>	<b>4959500</b>	<b>1.98</b>	<b>4959500</b>	<b>1.98</b>
4	<b>Smt. Bina Engineer, Whole Time Director &amp; CFO</b>				
	At the beginning of the year	0	0	0	0
	Increase in shareholding				
	Purchase of Shares from open market	25000	0.01	25000	0.01
	<b>At the end of the year</b>	<b>25000</b>	<b>0.01</b>	<b>25000</b>	<b>0.01</b>
5	<b>Shri N B Gohi, Whole Time Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
6	<b>Shri Sadashiv Sawarikar, Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
7	<b>Shri D K Kambale, Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
8	<b>Shri D B N Rao, Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
9	<b>Shri R K Pandey, Director*</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Sl. No.	For Each of Director and Key Managerial personnel	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
10	<b>Shri M K Doogar, Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
11	<b>Shri S. Balasubramanian, Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12	<b>Smt. Raina Desai, Director</b>				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholder	0	0	0	0
	<b>At the end of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
13	<b>Shri Anil Agrawal, Company Secretary</b>				
	At the beginning of the year	100	0.00	100	0.00
	Decrease / Increase in shareholder	0	0	0	0.00
	<b>At the end of the year</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>

\* Ceased to be an Independent Director w.e.f. 03.07.2020

## V INDEBTEDNESS

(in ₹ in Crore)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1,255.90	-	-	1,255.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.00	-	-	5.00
<b>Total (i+ii+iii)</b>	<b>1,260.90</b>	<b>0.00</b>	<b>0.00</b>	<b>1,260.90</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	466.86	5.00	-	471.86
Addition/(Reduction) in interest accrued during the year	(2.98)	-	-	(2.98)
Reduction (Net of forex fluctuation and other adjustments)	332.68	-	-	332.68
<b>Net Change</b>	<b>131.20</b>	<b>5.00</b>	<b>0.00</b>	<b>136.20</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,390.08	5.00	-	1,395.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.02	-	-	2.02
<b>Total (i+ii+iii)</b>	<b>1,392.10</b>	<b>5.00</b>	<b>0.00</b>	<b>1,397.10</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager: (in ₹)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Shri Ravi Sanghi, Chairman and Managing Director <sup>2</sup>	Shri Aditya Sanghi, Whole Time Director	Shri Alok Sanghi, Whole Time Director	Smt. Bina Engineer, Whole Time Director	Shri NB Gohil, Whole Time Director & CFO	
1	<b>Gross salary</b>						
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	12,890,625	8,593,752	8,593,752	10,781,253	5,175,000	46,034,382
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission as % of profit others (specify)	11,545,157	5,772,579	5,772,579	5,772,578	-	28,862,893
5	Others, please specify	-	-	-	-	-	-
	<b>Total (A)</b>	<b>24,435,782</b>	<b>14,366,331</b>	<b>14,366,331</b>	<b>16,553,831</b>	<b>5,175,000</b>	<b>74,897,275</b>
	<b>Ceiling as per the Act</b>	As per amended provisions and relevant rules of Companies Act, 2013, the ceiling limit for Managerial remuneration is not applicable and Company has paid Remuneration to its Managerial Personnel in Compliances of Schedule V of the Companies Act, 2013.					

**Note -1**

\*\* Due to Covid-19 pandemic and consequent Lockdown, Shri Ravi Sanghi, Chairman & Managing Director, Shri Aditya Sanghi and Shri Alok Sanghi, Executive Directors have foregone their salary as a whole from the month of April 2020 to June 2020 and 25% of their Salary from the month of July 2020 to September 2020.

Smt. Bina Engineer and Shri N B Gohil, Executive Directors have foregone their 30% Salary from the month of April 2020 to June 2020 and 25% salary from the month of July 2020 to September 2020.

**B. Remuneration to other directors: (in ₹)**

SL. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Shri Sadashiv Sawarikar	Shri R K Pandey*	Shri D K Kambale	Shri D B N Rao	Shri M K Doogar**	Shri S. Balasubramanian	Smt. Raina Desai	
1	Non Executive Directors								
	(a) Fee for attending board committee meetings	180000	60000	180000	160000	130000	140000	130000	980000
	(b) Commission	-	-	-	-	-	-	-	-
	(c) Others - Incidental Expenses	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>180000</b>	<b>60000</b>	<b>180000</b>	<b>160000</b>	<b>130000</b>	<b>140000</b>	<b>130000</b>	<b>980000</b>
	<b>Total Managerial Remuneration</b>								<b>75877275</b>
	<b>Overall Ceiling as per the Act.</b>	As per amended provisions and relevant rules of Companies Act, 2013, the ceiling limit for Managerial remuneration is not applicable and Company has paid Remuneration to its Managerial Personnel in Compliances of Schedule V of the Companies Act, 2013.							

\* Due to Resignation, ceased to be an Independent Director w.e.f. 03.07.2020

\*\* Due to his sad demise, ceased to be an Independent Director w.e.f. 04.05.2021

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in ₹)**

S.N.	Particulars of Remuneration	Shri Anil Agrawal, Company Secretary *	Total
1	<b>Gross Salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,338,883	2,338,883
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>2,338,883</b>	<b>2,338,883</b>

Further, In addition to details mentioned in Note-1 in above VI (A), Shri Anil Agarwal, Company Secretary has foregone his 20% salary from the month of April 2020 to June 2020.

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



## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board,

**Date** : 10<sup>th</sup> June 2021  
**Place** : Ahmedabad

**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 9<sup>th</sup> July, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Sanghi Industries Limited ('the Company') for the year ended 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021.
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 : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

CA Rohit Mehta  
(Partner)  
M. No. 091382

## 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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Profit including other comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

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

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2021. 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 each 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

		<p>the residual value of property, plant and equipment annually.</p> <p>We focused on this matter because of the complexity involved in determining the residual value and useful life.</p>	<p>the residual value of plant &amp; machinery</p> <p>Review of the internal assessment done by the management and independent opinion done by the management.</p> <p>Assessment of appropriateness of disclosures provided in the Financial Statements.</p>
2	Capital Work in Progress	<p>The Company is in the process of executing various capital projects mainly expansion project of Clinker Plant, Captive Thermal Power Plant and Cement Grinding Unit. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area which had the significant effect on the overall audit strategy and allocation of resources in planning and completing our audit</p>	<p>We performed an understanding and evaluation of the system of internal control over the capital work in progress, with reference to identification and testing of key controls.</p> <p>We assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use.</p>

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

The Company's Board of Director is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditors' report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Financial Statements

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

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

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

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

### **Auditor's Responsibility for the Audit of Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 32 to the financial statements;
    - ii) The Company did not have any long-term contracts including derivative contracts except as disclosed in Note 32 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, 2021.

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

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

**Amit Chaturvedi**  
Partner  
Membership Number: 103141  
UDIN: 21103141AAAANW4779

**Rohit Mehta**  
Partner  
Membership Number: 091382  
UDIN: 21091382AAAAAJM3252

**Place** : Mumbai  
**Date** : June 10, 2021

**Place** : New Delhi  
**Date** : June 10, 2021



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

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

- i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant & Equipment).
  - b) The Company has a regular program for physical verification of its fixed assets (Property, Plant & Equipment) by which its fixed assets (Property, Plant & Equipment) are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets (Property, Plant & Equipment). However, there were certain fixed assets (Property, Plant & Equipment) which were not verified during the year as planned due to outbreak of COVID-19 pandemic. As represented by the management, these will be covered for verification in the subsequent period. According to the information and explanations given to us, no material discrepancies were noticed on verification of the fixed assets (Property, Plant & Equipment).
  - c) As per the information and explanations provided to us, title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the requirement of reporting under clause (iii) (a) to clause (iii) (c) of Paragraph 3 of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and therefore reporting under clause (iv) of Paragraph 3 of the Order is not applicable to the Company to that extent.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Therefore, the reporting under clause (v) of Paragraph 3 of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (l) of Section 148 of the Act and the rules framed there under and we are of opinion that prima facie, the prescribed amounts and records have been made and maintained. We have not, however, made detailed examination of the records with the view to determine whether they are accurate or complete.
- vii)
  - a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues applicable to it.
  - b) According to the information and explanations provided to us, no undisputed amount payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - c) According to the information and explanation given to us, there are no dues of Income-tax, Sales-tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited with the appropriate authority on account of a dispute, except for items as set out below:



Name of Statute	Nature of Dues	Amount (₹ in Crore)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	52.96	Various years	Customs, Excise & service tax Appellate Tribunal
Service Tax The Finance Act, 1994	CENVAT Credit	4.77	Various years	Customs, Excise & service tax Appellate Tribunal
Custom Act, 1962	Custom Duty	12.41	2005-10	Customs, Excise & service tax Appellate Tribunal
Sales Tax	Sales Tax	1.76	Various years	Joint Commissioner Appeal, Rajkot
GST	GST Compensation Cess	2.68	2017-18 and 2018-19	Dy. Commissioner (Appeals) of Gujarat GST and Gujarat High Court

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, banks, governments or dues to the debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, the money raised by way of term loans and debt instruments have been applied for the purpose for which they were obtained. The company has not raised any money by way of initial public offer or further public offer s during the year.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi) According to the information and explanations provided by the management, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion, the Company is not a nidhi company. Therefore, provisions of clause (xii) of Paragraph 3 of the Order are not applicable to the Company and hence not commented upon.
- xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations provided to us, the Company has not made any preferential allotment of shares or fully or partly converted debentures during the year.
- xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of Act.
- xvi) According to the information and explanations provided to us, the provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**Amit Chaturvedi**  
Partner  
Membership Number: 103141  
UDIN: 21103141AAAAANW4779

**Place** : Mumbai  
**Date** : June 10, 2021

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

**Rohit Mehta**  
Partner  
Membership Number: 091382  
UDIN: 21091382AAAAAJM3252

**Place** : New Delhi  
**Date** : June 10, 2021

## **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, 2021 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.

### **Auditor’s 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 auditor’s judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system 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, 2021, 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

**Amit Chaturvedi**

Partner

Membership Number: 103141

UDIN: 21103141AAAAANW4779

**Place** : Mumbai

**Date** : June 10, 2021

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

Firm's Registration No: 000478N

**Rohit Mehta**

Partner

Membership Number: 091382

UDIN: 21091382AAAAAJM3252

**Place** : New Delhi

**Date** : June 10, 2021

## BALANCE SHEET AS AT 31 MARCH 2021

INR in crores

Particulars	Note	31 March 21	31 March 20
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	1,652.08	1,706.20
(b) Capital work in progress	2	1,337.84	1,004.13
(c) Deferred tax assets (net)	3	51.59	86.05
(d) Other non current assets	4	8.25	19.68
<b>Total non current assets</b>		<b>3,049.76</b>	<b>2,816.06</b>
<b>2 Current assets</b>			
(a) Inventories	5	351.08	356.58
(b) Financial Assets			
(i) Trade receivables	6	48.95	39.38
(ii) Cash and cash equivalents	7	1.15	2.28
(iii) Bank balances other than Cash and Cash Equivalent	8	31.89	51.64
(c) Other current assets	9	121.27	138.32
<b>Total current assets</b>		<b>554.34</b>	<b>588.21</b>
<b>TOTAL ASSETS</b>		<b>3,604.10</b>	<b>3,404.26</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	10	251.00	251.00
(b) Other Equity	11	1,542.74	1,464.36
<b>Total Equity</b>		<b>1,793.74</b>	<b>1,715.36</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	1,059.08	880.22
(ii) Other financial liabilities	13	77.26	56.82
(b) Provisions	14	37.00	37.19
<b>Total non current liabilities</b>		<b>1,173.34</b>	<b>974.22</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	283.53	258.56
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	15	0.17	0.06
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	15	137.62	131.18
(iii) Other financial liabilities	16	118.78	255.47
(b) Deferred Revenue	17	10.76	6.74
(c) Other current liabilities	18	40.68	22.70
(d) Provisions	19	45.48	39.97
<b>Total current liabilities</b>		<b>637.02</b>	<b>714.68</b>
<b>Total liabilities</b>		<b>1,810.36</b>	<b>1,688.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,604.10</b>	<b>3,404.26</b>
Significant Accounting Policies	1		
The accompanying notes 1 to 45 are an integral part of the Financial Statements			

As per report of even date

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

**Amit Chaturvedi**  
Partner  
M. No. 103141  
Place : Mumbai

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

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

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

**For and on behalf of the Board of Directors**

Ravi Sanghi - Chairman and Managing Director  
Aditya Sanghi - Executive Director  
Alok Sanghi - Executive Director  
Bina Engineer - Executive Director & CFO  
N.B. Gohil - Executive Director  
D.K. Kambale - Independent Director  
Sadashiv Sawrikar - Independent Director  
D.B.N. Rao - Independent Director  
S. Balasubramanian - Independent Director  
Raina Desai - Independent Director  
Anil Agrawal - Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

INR in crores

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue</b>			
Sale of Products (Refer Note 38)		935.98	887.42
Other Operating Income		3.25	0.13
<b>I. Revenue from Operations</b>		<b>939.23</b>	<b>887.55</b>
<b>II. Other income</b>	<b>20</b>	<b>8.94</b>	<b>12.46</b>
<b>III. Total Income (I+II)</b>		<b>948.17</b>	<b>900.01</b>
<b>IV. Expenses</b>			
Cost of materials consumed	<b>21</b>	57.15	95.87
Purchases of Stock in Trade	<b>21</b>	24.15	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>22</b>	4.13	(24.13)
Power and fuel		227.67	216.26
Employee Benefits Expense	<b>23</b>	47.85	48.27
Selling Expenses	<b>24</b>	258.23	258.66
Finance costs	<b>25</b>	73.18	77.96
Depreciation and Amortization Expenses	<b>26</b>	63.70	62.08
Other Expenses	<b>27</b>	79.53	99.69
<b>Total Expenses (IV)</b>		<b>835.59</b>	<b>834.66</b>
<b>V. Profit before Exceptional Items and Tax ( III – IV)</b>		<b>112.58</b>	<b>65.35</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before Tax ( V – VI )</b>		<b>112.58</b>	<b>65.35</b>
<b>VIII. Tax expense:</b>			
1. Current Tax		-	-
2. Deferred tax (Including derecognition of MAT credit for earlier years of ₹ 27.53 crore) – Refer note No.44		34.39	-
<b>IX. Profit for the year ( VII – VIII)</b>		<b>78.19</b>	<b>65.35</b>
<b>X. Other comprehensive income</b>	<b>28</b>		
A I) Items that will not be reclassified to profit or loss		0.26	(0.35)
II) Income tax related to items that will not be reclassified to profit or loss		(0.07)	-
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		-	-
<b>Total Other comprehensive income for the year</b>		<b>0.19</b>	<b>(0.35)</b>
<b>XI. Total comprehensive income for the year</b>		<b>78.38</b>	<b>65.00</b>
<b>XII. Earnings per equity share</b>	<b>29</b>		
1. Basic		3.12	2.60
2. Diluted		3.12	2.60
Significant Accounting Policies	<b>1</b>		
The accompanying notes 1 to 45 are an integral part of the Financial Statements			

As per report of even date

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

**Amit Chaturvedi**  
Partner  
M. No. 103141  
**Place : Mumbai**

**Place : Ahmedabad**  
**Date : 10<sup>th</sup> June, 2021**

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

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

**For and on behalf of the Board of Directors**

Ravi Sanghi - Chairman and Managing Director  
Aditya Sanghi - Executive Director  
Alok Sanghi - Executive Director  
Bina Engineer - Executive Director & CFO  
N.B. Gohil - Executive Director  
D.K. Kambale - Independent Director  
Sadashiv Sawrikar - Independent Director  
D.B.N. Rao - Independent Director  
S. Balasubramanian - Independent Director  
Raina Desai - Independent Director  
Anil Agrawal - Company Secretary

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

	31.3.2021	31.3.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	112.58	65.35
<b>Adjustments for:</b>		
Depreciation and amortisation	63.70	62.08
Loss/(Profit) on sale of Fixed Assets	3.13	(0.38)
Exceptional cost	0.00	0.00
Interest Income	(2.41)	(7.20)
Foreign Exchange (gain)/loss	(0.04)	4.25
Interest and other Financial Charges	73.18	77.96
<b>Operating Profit before Working Capital Changes</b>	<b>250.14</b>	<b>202.06</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Inventories	5.50	(119.29)
(Increase)/Decrease in Debtors	(9.57)	4.80
(Increase)/Decrease in Other Current and Non Current Assets and Loans and Advances	8.51	(1.08)
Increase/(Decrease) in Trade Creditors	6.54	(60.07)
Increase/(Decrease) in Long Term Provisions	0.00	0.00
Increase/(Decrease) in Other Current and Non-Current Liabilities and Provisions	36.91	43.74
<b>Cash from operating activities</b>	<b>298.03</b>	<b>70.16</b>
Income Taxes (paid) / Refund	3.53	1.17
<b>Net Cash from operating activities</b>	<b>301.56</b>	<b>71.33</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Additions of Fixed Assets (including Capital Work-In-Progress)	(368.13)	(597.54)
Sale of Fixed Assets	4.26	4.36
Withdrawal/(Investment) in Fixed Deposit with Banks	19.75	114.56
Interest Received	2.62	7.65
<b>Net Cash used in investing activities</b>	<b>(341.50)</b>	<b>(470.97)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Movement in Working Capital Borrowing	24.97	65.86
Long term borrowings	413.46	484.88
Repayment of long term borrowings	(332.68)	(70.65)
Interest and other Financial Charges	(66.94)	(78.62)
<b>Cash from Financing activities</b>	<b>38.81</b>	<b>401.47</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS ( A+B+C)</b>	<b>(1.13)</b>	<b>1.83</b>
Cash and Cash equivalents (Opening Balance)	2.28	0.45
Cash and Cash equivalents (Closing Balance)	<b>1.15</b>	<b>2.28</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and Cheques on hand	0.16	0.78
Bank Balances	0.99	1.50
<b>Cash and Cash Equivalents as above as per Note 7</b>	<b>1.15</b>	<b>2.28</b>

As per report of even date

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

**Amit Chaturvedi**  
Partner  
M. No. 103141  
**Place :** Mumbai

**Place :** Ahmedabad  
**Date :** 10<sup>th</sup> June, 2021

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

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

**For and on behalf of the Board of Directors**

Ravi Sanghi - Chairman and Managing Director  
Aditya Sanghi - Executive Director  
Alok Sanghi - Executive Director  
Bina Engineer - Executive Director & CFO  
N.B. Gohil - Executive Director  
D.K. Kambale - Independent Director  
Sadashiv Sawrikar - Independent Director  
D.B.N. Rao - Independent Director  
S. Balasubramanian - Independent Director  
Raina Desai - Independent Director  
Anil Agrawal - Company Secretary

## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR THE YEAR ENDING 31 MARCH 2021

(INR in Crores)

A. Equity Share Capital					
Balance as at 1 <sup>st</sup> April 2019					251.00
Change during the year 2019-20					-
Balance as at 31 <sup>st</sup> March 2020					251.00
Change during the year 2020-21					-
Balance as at 31 <sup>st</sup> March 2021					251.00
B. OTHER EQUITY					
Particulars	Reserves & Surplus				Total
	Security Premium	Capital redemption reserve	Debenture Redemption reserve	Retained earnings	
<b>Balance at 31 March, 2019</b>	<b>409.34</b>	<b>84.84</b>	<b>22.77</b>	<b>882.41</b>	<b>1,399.36</b>
<b>Additions:</b>					
Profit for the year	-	-	-	65.35	65.35
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-	-	(0.35)	(0.35)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.00</b>	<b>65.00</b>
<b>Balance at 31 March, 2020</b>	<b>409.34</b>	<b>84.84</b>	<b>22.77</b>	<b>947.41</b>	<b>1,464.36</b>
<b>Additions:</b>					
Profit for the year	-	-	-	78.19	78.19
Other comprehensive income for the year (Remeasurement of defined benefit plan)	-	-	-	0.19	0.19
Transfer from debenture redemption reserve	-	-	-	22.77	22.77
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101.15</b>	<b>101.15</b>
<b>Less:</b>					
Transfer to retained earnings	-	-	(22.77)	-	(22.77)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(22.77)</b>	<b>-</b>	<b>(22.77)</b>
<b>Balance at 31 March, 2021</b>	<b>409.34</b>	<b>84.84</b>	<b>-</b>	<b>1,048.56</b>	<b>1,542.74</b>

As per report of even date

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

**Amit Chaturvedi**  
Partner  
M. No. 103141  
Place : Mumbai

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

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

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

For and on behalf of the Board of Directors

Ravi Sanghi - Chairman and Managing Director  
Aditya Sanghi - Executive Director  
Alok Sanghi - Executive Director  
Bina Engineer - Executive Director & CFO  
N.B. Gohil - Executive Director  
D.K. Kambale - Independent Director  
Sadashiv Sawrikar - Independent Director  
D.B.N. Rao - Independent Director  
S. Balasubramanian - Independent Director  
Raina Desai - Independent Director  
Anil Agrawal - Company Secretary



## Significant Accounting Policies

### Note 1:

#### A. Company Information

Sanghi Industries Limited is engaged in the manufacturing and marketing of cement and cement products in domestic and export market. The Company's manufacturing facilities are at Sanghipuram, Gujarat and Registered Office at Sanghi Nagar, R.R. District, Telangana. Equity shares of the Company are listed on The National Stock Exchange and BSE Limited in India. The Financial Statements were approved and adopted by Board of Directors of the company in their meeting held on 10<sup>th</sup> June, 2021.

#### B. Significant accounting policies

##### a) Basis of preparation

###### i. Compliance with Indian Accounting Standards

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, and other relevant provisions of the Act, as amended from time to time.

###### ii. Historical cost convention

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

##### b) Revenue from contract with customers

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

##### c) Interest Income

Interest income is recognised using the effective interest rate method.

##### d) Property, plant and equipment

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

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of Profit and Loss on consumption. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

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

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

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

#### **Depreciation**

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. Depreciation on Property, Plant and Equipment is provided on straight line method as per useful life and residual value as provided in Schedule II of the Companies Act, 2013, except in case of plant and machinery where useful life has been changed from 25 years to 30 years and residual value from 5% to 10% based on technical report received from Chartered Engineer w.e.f. January 01, 2019 and as approved by the management. Cement manufacturing plant is considered as continuous process plant.

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

Leasehold improvement is depreciated over the period of lease.

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

#### **e) Leases**

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

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the 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**

**a. 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.

**b. Financial liabilities**

**Initial recognition and measurement**

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

**Financial liabilities at fair value through profit or loss**

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

**Loans and borrowings**

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

**Derecognition**

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

**Offsetting of Financial Instruments.**

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

**i) Derivative financial instruments**

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

**j) Taxes on Income****Current tax**

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

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

**Deferred tax**

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

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

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

**k) Inventories**

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

**l) Employee benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Post-employment and other employee benefits are recognised as an expense at the present value of the amount payable determined using actuarial valuation

techniques. Actuarial gains and loss in respect of post-employment and other long-term benefits are charged to the statement of other comprehensive income.

**m) Cash and cash equivalents**

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

**n) Provisions, Contingent liabilities and Commitments**

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

**o) Earnings per share**

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

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

**p) Use of estimates and judgments**

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

**q) Statement of cash flows**

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

**r) Current and non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

**s) Foreign currency translation**

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

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

**t) Exceptional items**

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

**u) Rounding off**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note - 2 - Property, Plant and Equipment:

## Current Year

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	As on 1st April 2020	Additions	Disposals / Adjustments	As on 31st March 2021	Upto 31.03. 2020	Charge for the year	Disposals / Adjustments	As on 31st March 2021	W.D.V as on 31st March 2021	W.D.V as on 31st March 2020
Freehold land	332.36	-	-	332.36	-	-	-	-	332.36	332.36
Building	175.52	0.09	0.50	175.11	76.78	5.38	0.13	82.03	93.08	98.74
Building - Right Of Use	13.53	4.94	2.88	15.58	1.50	1.49	1.11	1.87	13.71	0.00
Leasehold Improvements	4.87	-	-	4.87	0.59	0.48	-	1.07	3.81	12.03
Plant and Equipment	2,338.66	3.66	6.18	2,336.14	1,109.03	51.43	0.96	1,159.50	1,176.64	4.28
Plant & Machinery-Right Of Use		6.96	-	6.96	-	0.35	-	0.35	6.62	0.00
Furniture and Fixtures	23.28	-	-	23.28	10.00	1.06	-	11.07	12.22	1,229.63
Vehicles	20.74	1.01	0.10	21.65	13.21	1.82	0.07	14.96	6.69	13.28
Office Equipment	2.65	0.02	-	2.67	1.85	0.27	-	2.12	0.55	7.54
Electrical Installations	115.22	-	-	115.22	109.76	0.66	-	110.42	4.80	0.80
Laboratory Equipment	2.12	-	-	2.12	1.36	0.19	-	1.55	0.57	5.46
Computers	9.81	0.29	-	10.10	8.53	0.56	-	9.09	1.01	0.76
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	0.00	1.28
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
<b>Sub-total</b>	<b>3,038.90</b>	<b>16.97</b>	<b>9.66</b>	<b>3,046.21</b>	<b>1,332.70</b>	<b>63.70</b>	<b>2.28</b>	<b>1,394.13</b>	<b>1,652.08</b>	<b>1,706.20</b>
Capital work-in-progress	1,004.13	333.71	0.00	1,337.84	-	-	-	-	1,337.84	1,004.13
<b>TOTAL</b>	<b>4,043.04</b>	<b>350.68</b>	<b>9.66</b>	<b>4,384.05</b>	<b>1,332.70</b>	<b>63.70</b>	<b>2.28</b>	<b>1,394.13</b>	<b>2,989.93</b>	<b>2,710.34</b>

## Foot notes :

1. It includes INR 91.73 Crore Borrowing cost capitalised during FY 2020-21 ( FY 2019-20 INR 54.14 Crore)
2. Refer Note 12 regarding information for Assets Hypothecation/ Pledged for Borrowings
3. Refer Note 32 regarding Capital Commitment for Property, Plant & Equipment
4. Refer Note 41 regarding accounting of leases



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

INR in crores

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	As on 1st April 2019	Additions	Disposals / Adjustments	As on 31st March 2020	Upto 31.03. 2019	Charge for the year	Disposals / Adjustments	As on 31st March 2020	W.D.V as on 31st March 2020	W.D.V as on 31st March 2019
Freehold land	332.36	-	-	332.36	-	-	-	0.00	332.36	332.36
Building	170.42	5.39	0.29	175.52	71.59	5.25	0.06	76.78	98.74	98.83
Building - Right Of Use	-	13.53	-	13.53	0.00	1.50	-	1.50	12.03	0.00
Leasehold Improvements	4.87	-	-	4.87	0.11	0.48	-	0.59	4.28	4.77
Plant and Equipment	2,201.54	142.73	5.61	2,338.66	1,061.85	49.07	1.89	1,109.03	1,229.63	1,139.69
Furniture and Fixtures	21.79	1.49	-	23.28	8.97	1.03	-	10.00	13.28	12.82
Vehicles	17.23	3.57	0.06	20.74	11.33	1.91	0.03	13.21	7.54	5.91
Office Equipment	2.43	0.22	-	2.65	1.57	0.28	-	1.85	0.80	0.86
Electrical Installations	115.10	0.12	-	115.22	108.33	1.43	-	109.76	5.46	6.77
Laboratory Equipment	2.11	0.00	-	2.12	1.16	0.19	-	1.36	0.76	0.95
Computers	9.66	0.15	-	9.81	7.59	0.93	-	8.53	1.28	2.07
Fire Fighting Equipments	0.10	-	-	0.10	0.10	-	-	0.10	0.00	0.00
Temple	0.03	-	-	0.03	-	-	-	-	0.03	0.03
<b>Sub-total</b>	<b>2,877.66</b>	<b>167.20</b>	<b>5.96</b>	<b>3,038.90</b>	<b>1,272.60</b>	<b>62.08</b>	<b>1.98</b>	<b>1,332.70</b>	<b>1,706.20</b>	<b>1,605.06</b>
Capital work-in-progress	436.82	695.08	127.76	1,004.13	-	-	-	-	1,004.13	436.82
<b>TOTAL</b>	<b>3,314.48</b>	<b>862.27</b>	<b>133.72</b>	<b>4,043.04</b>	<b>1,272.60</b>	<b>62.08</b>	<b>1.98</b>	<b>1,332.70</b>	<b>2,710.34</b>	<b>2,041.88</b>

**Foot notes :**

1. It includes INR 54.14 Crore Borrowing cost capitalised during FY 2019-20 ( FY 2018-19 INR 32.29 Crore)
2. Refer Note 12 regarding information for Assets Hypothecation/ Pledged for Borrowings.
3. Refer Note 32 regarding Capital Commitment for Property, Plant & Equipment.
4. Refer Note 41 regarding accounting of leases

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

INR in crores

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

Particulars	As at 31 Mar 21	As at 31 Mar 20
<b>Deferred tax Assets ( DTA )</b>		
Unabsorbed depreciation	121.59	182.00
Others	122.66	150.20
<b>Total Deferred tax Assets ( DTA )</b>	<b>244.25</b>	<b>332.20</b>
<b>Deferred tax Liabilities ( DTL )</b>		
Difference between Tax Depreciation & Book Depreciation	(192.66)	(271.73)
<b>Deferred tax Liabilities ( DTL )</b>	<b>(192.66)</b>	<b>(271.73)</b>
<b>Net deferred tax Assets</b>	<b>51.59</b>	<b>60.47</b>
Less: Deferred Tax Assets not recognized considering matter of prudence	-	1.95
<b>A. Net deferred tax Assets</b>	<b>51.59</b>	<b>58.52</b>
<b>B. Mat Credit Entitlement</b>	<b>-</b>	<b>27.53</b>
<b>Total Deferred tax Assets ( A + B )</b>	<b>51.59</b>	<b>86.05</b>

INR in crores

Particulars	As at 31 Mar 21	As at 31 Mar 20
<b>Note - 4</b>		
<b>Other Non Current assets:</b>		
<b>Unsecured, considered good</b>		
Capital Advances	5.66	13.62
Advance Income tax/TDS/TCS	2.59	6.06
<b>Total</b>	<b>8.25</b>	<b>19.68</b>
<b>Note - 5</b>		
<b>Inventories:</b>		
Raw Materials	7.59	2.64
Fuel Stock	57.64	59.41
Work-in-progress	0.42	0.47
Finished goods	41.51	45.59
Stores, spares and components (including packing material)	243.92	248.47
<b>Total</b>	<b>351.08</b>	<b>356.58</b>
<b>Refer Note 12 regarding information for Hypothication/Pledge of Inventory or Borrowings</b>		
<b>Refer Note 1 (j) for valuation of Inventory</b>		

INR in crores

Particulars	As at 31 Mar 21	As at 31 Mar 20
<b>Note - 6</b>		
<b>Trade Receivables:</b>		
<b>Unsecured, Considered Good</b>		
From related parties	-	-
From others	49.47	39.38
Less : Allowance for Expected Credit Loss	(0.52)	-
	<b>48.95</b>	<b>39.38</b>
<b>Refer Note 12 regarding information for Hypothication/Pledge of Trade Receivables for Borrowings</b>		
<b>Note - 7</b>		
<b>Cash and Cash Equivalent:</b>		
Balances with banks		
In current accounts	0.99	1.50
Cash in hand	0.16	0.78
<b>Total</b>	<b>1.15</b>	<b>2.28</b>
<b>Note - 8</b>		
<b>Bank balances other than Cash and Cash Equivalent:</b>		
Margin money *	29.89	30.05
Fixed deposits having original maturity more than 3 months but less than 12 months	2.00	21.59
<b>Total</b>	<b>31.89</b>	<b>51.64</b>
<b>* Margin Money represents security deposited against borrowings / Non funded exposures from banks / financial institutions</b>		
<b>Note - 9</b>		
<b>Other Current assets:</b>		
<b>Unsecured, Considered Good</b>		
Advances to employees	0.15	0.39
Advance to suppliers and contractors	30.23	44.77
Deposit with Government Department (Refer note – 32)	46.11	46.18
Others	44.78	46.98
<b>Total</b>	<b>121.27</b>	<b>138.32</b>

INR in crores

## Note - 10 - Share Capital:

Particulars	As at 31 Mar 2021		As at 31 Mar 2020	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b>				
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
		<b>550.00</b>		<b>550.00</b>
<b>Issued share capital</b>				
Equity shares of INR 10/- each Fully paid Up	251,000,000	251.00	251,000,000	251.00
		<b>251.00</b>		<b>251.00</b>
<b>Subscribed and Fully paid up share capital</b>				
Equity shares of INR 10/- each Fully paid Up	251,000,000	251.00	251,000,000	251.00
	<b>251,000,000</b>	<b>251.00</b>	<b>251,000,000</b>	<b>251.00</b>
<b>Total share capital</b>	<b>251,000,000</b>	<b>251.00</b>	<b>251,000,000</b>	<b>251.00</b>

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

Particulars	As at 31 Mar 2021		As at 31 Mar 2020	
	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.	-	-	-	-
Balance at the end of the reporting period	251,000,000	251.00	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 2021		As at 31 Mar 2020	
	No. of shares	% of Total paid up Equity Share Capital	No. of shares	% of Total paid up Equity Share Capital
<b>Equity shares</b>				
Samruddhi Investors Services Private Limited	61,533,791	24.52	61,533,791	24.52
Ravi Sanghi	49,869,750	19.87	49,869,750	19.87
	<b>111,403,541</b>	<b>44.39</b>	<b>111,403,541</b>	<b>44.39</b>

## C. For the period of preceding 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

INR in crores

## Note - 11 - Other Equity

Particulars	As at 31 Mar 21	As at 31 Mar 20
<b>Security Premium</b>		
Opening Balance as per last accounts	409.34	409.34
Addition during the year	-	-
Utilised during the year	-	-
<b>Closing Balance</b>	<b>409.34</b>	<b>409.34</b>
<b>Capital Redemption Reserve</b>		
Opening Balance as per last accounts	84.84	84.84
Addition during the year	-	-
<b>Closing Balance</b>	<b>84.84</b>	<b>84.84</b>
<b>Debenture Redemption Reserve</b>		
Opening Balance as per last accounts	22.77	22.77
Addition during the year	-	-
Transferred to retained earnings	(22.77)	-
<b>Closing Balance</b>	<b>0.00</b>	<b>22.77</b>
<b>Retained Earnings</b>		
Opening Balance as per last accounts	947.41	882.41
Total Comprehensive Income for the year	78.38	65.00
Transferred from Debenture Redemption Reserve	22.77	-
<b>Closing Balance</b>	<b>1,048.56</b>	<b>947.41</b>
<b>Total Other Equity</b>	<b>1,542.74</b>	<b>1,464.36</b>

## Description of Reserve

**Security Premium**

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

**Capital Redemption Reserve**

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

**Debenture Redemption Reserve**

Ministry of Corporate Affairs has notified Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16 August 2019. As per the amendment, Debenture Redemption Reserve (DRR) is not required to be created in case of listed companies. Accordingly, the Company has not created any Debenture Redemption Reserve from financial year 2019-20 onwards. Further, the outstanding balance of Debenture Redemption Reserve created upto 31 March 2019 has been transferred to retained earnings on account of redemption of debentures.

INR in crores

## Note - 12 - Financial Liabilities : Borrowings:

Particulars	As at 31st March, 21		As at 31st March, 20	
	Non-Current	Current	Non-Current	Current
<b>a) Working Capital Loans</b>				
Secured – From Banks <sup>1</sup>	-	283.53	-	258.56
<b>b) Term Loans</b>				
Secured – From Banks <sup>1</sup>	464.57	0.00	427.55	0.00
Secured – From Others <sup>2</sup>	293.62	0.00	284.52	0.00
<b>c) Loan from related party</b>				
Unsecured <sup>3</sup>	7.18	0.00	-	-
<b>d) Debentures (Secured)</b>				
10.50% Redeemable, Non-convertible Debenture of INR 10,00,000/- each <sup>3</sup>	-	-	168.15	0.00
14% Redeemable, Non-convertible Debentures of INR 10,00,000/- each <sup>4</sup>	293.71	0.00	-	-
<b>TOTAL</b>	<b>1,059.08</b>	<b>283.53</b>	<b>880.22</b>	<b>258.56</b>

## Disclosures on borrowings for March 2021

Loan	Security	Repayment terms	As at 31st March, 21		
			Non-Current	Current	Current Maturities on Long Term Borrowings
<b>1. Loan from Banks</b>					
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 8.45% to 10.80 %	Repayable on demand.	0.00	283.53	0.00
Term Loans	First Pari-passu Charge on Fixed Assets	Repayable from April 2019 to October 2024.	79.52	0.00	38.95
	First exclusive charge on ships	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till July 2023.	8.21	0.00	5.51
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	376.84	0.00	0.00
<b>2. Loan from Others</b>					
	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.45	0.00	0.07

Loan	Security	Repayment terms	As at 31st March, 21		
			Non-Current	Current	Current Maturities on Long Term Borrowings
	First Pari-passu Charge on Fixed Assets	Equated Monthly installments starting from November 2017 to July 2024	17.56	0.00	6.75
	Hypothecation of specific equipments.	Equated Monthly installments starting from December 2017 to November 2021	0.00	0.00	0.19
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	272.76	0.00	0.00
	Hypothecation of cars	Equated Monthly installments.	2.85	0.00	0.99
<b>3. Loan from related parties</b>	Unsecured Loan	February' 2031	2.18	0.00	0.00
	Unsecured Loan	February' 2031	5.00	0.00	0.00
<b>4. 14% Redeemable, Non-convertible Debentures</b>	First Pari-passu Charge on Fixed Assets	Payable over 14 quarterly instalments starting from 22 <sup>nd</sup> Nov 2023	293.71	0.00	0.00
<b>Total</b>			<b>1059.08</b>	<b>283.53</b>	<b>52.46</b>

## Disclosures on borrowings for March 2020

Loan	Security	Repayment terms	As at 31st March, 20		
			Non-Current	Current	Current Maturities on Long Term Borrowings
<b>1. Loan from Banks</b>					
Working Capital Loans	First Pari-passu Charge against Current assets. The rate of interest ranges from 10.50 % to 10.90%p.a.	Repayable on demand.	0.00	258.56	0.00
Term Loans	Tranche 1 - First Pari-passu charge on Fixed Assets Tranche 2 - First exclusive charge on certain assets	Tranche 1- Repayable in 60 equal monthly installments from April 2019 to October 2024. Tranche 2- Repayable in monthly installments starting from April 2017 to November 2020	110.98	0.00	21.52



Loan	Security	Repayment terms	As at 31st March, 20		
			Non-Current	Current	Current Maturities on Long Term Borrowings
	First exclusive charge on ships	Repayable in 12 semi-annual equal installments with the first installment being from December, 2017 till July 2023.	14.06	0.00	5.62
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	302.50	0.00	0.00
<b>2. Loan from Others</b>	Charge on specific property	Equated Monthly installments starting from October 2015 to December 2025	0.52	0.00	0.08
	First Pari-passu Charge on Fixed Assets	Payable at the end of 3 <sup>rd</sup> Year with a put option of ₹ 5.75 Crore per quarter	45.52	0.00	0.00
	First Pari-passu Charge on Fixed Assets	Equated Monthly installments starting from November 2017 to July 2024	24.11	0.00	3.30
	Hypothecation of specific equipments	Equated Monthly installments starting from December 2017 to November 2021	0.16	0.00	0.22
	First Pari-passu Charge on Fixed Assets	32 quarterly instalments starting from Oct '2022 Qtr	211.40	0.00	0.00
	Hypothecation of cars	Equated Monthly installments.	2.81	0.00	1.04
<b>3. 10.50% Redeemable and Non-convertible Debenture of INR 10,00,000/- each</b>	First Pari-passu Charge on Fixed Assets	Yearly Installment from March 2021 to March 2023	168.15	0.00	85.33
<b>Total</b>			<b>880.21</b>	<b>258.56</b>	<b>117.11</b>

INR in crores

Particulars	As at 31 Mar 21	As at 31 Mar 20
<b>Note - 13</b>		
<b>Other financial liabilities:</b>		
Security Deposits from Customers and Contractors/Transporters	58.85	45.29
Lease obligations	18.41	11.53
<b>Total</b>	<b>77.26</b>	<b>56.82</b>
<b>Note - 14</b>		
<b>Long term provisions:</b>		
<b>Employee benefits</b>		
Gratuity	5.59	5.30
Leave encashment	1.70	1.73
Sick Leave	0.35	-
<b>Other provisions</b>		
Asset retirement obligation	0.08	0.08
Mines restoration	0.20	0.19
District Mineral Fund	0.11	0.11
National Mineral Exploration Trust	0.42	0.42
Electricity Duty	28.55	29.35
<b>Total</b>	<b>37.00</b>	<b>37.19</b>
<b>Movement of provisions during the year as required by Indian Accounting Standard (Ind AS) 37 " Provisions, Contingent Liabilities and Contingent Assets</b>		
<b>Provision for asset retirement obligation</b>		
Opening Balance	0.08	0.08
Add: Provision during the year	0.00	0.00
Less: Utilisation during the year		
<b>Closing Balance</b>	<b>0.08</b>	<b>0.08</b>
<b>Provision for Mines Restoration Expenses</b>		
Opening Balance	0.19	0.18
Add: Provision during the year	0.01	0.01
Less: Utilisation during the year	0.00	0.00
<b>Closing Balance</b>	<b>0.20</b>	<b>0.19</b>
<b>Provision for District Mineral Fund</b>		
Opening Balance	0.11	0.11
Add: Provision during the year	0.00	0.00
Less: Utilisation during the year	0.00	0.00
<b>Closing Balance</b>	<b>0.11</b>	<b>0.11</b>
<b>Provision for National Mineral Exploration Trust</b>		
Opening Balance	0.42	0.42
Add: Provision during the year	0.00	0.00
Less: Utilisation during the year	0.00	0.00
<b>Closing Balance</b>	<b>0.42</b>	<b>0.42</b>
<b>Provision for Electricity Duty</b>		
Opening Balance	29.35	30.95
Add: Provision during the year	-	0.00
Less: paid during the year	0.80	1.60
<b>Closing Balance</b>	<b>28.55</b>	<b>29.35</b>

INR in crores

Particulars	As at 31 Mar 21	As at 31 Mar 20
<b>Note - 15</b>		
<b>Current financial liabilities : Trade payables</b>		
(a) Dues of Micro and Small Enterprises*	0.17	0.06
(b) Dues of creditors other than Micro and Small Enterprises	137.62	131.18
<b>Total</b>	<b>137.79</b>	<b>131.24</b>
* 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.		
<b>Note - 16</b>		
<b>Current financial liabilities : Others</b>		
Current maturities of Long Term borrowings	52.46	117.11
Interest accrued but not due on borrowings	2.02	5.00
<b>Other payables:</b>		
Salary payable	8.67	9.39
Other Employee Related liabilities	2.84	3.50
Payable for capital goods	21.85	80.18
Lease obligations	1.58	1.05
Other financial liabilities*	29.36	39.24
<b>Total</b>	<b>118.78</b>	<b>255.47</b>
* Other Financial Liability includes purchase invoice discounting of ₹12.36 Cr. (previous year ₹ 14.25 Cr).		
<b>Note - 17</b>		
<b>Deferred Revenue:</b>		
Deferred Revenue	10.76	6.74
<b>Total</b>	<b>10.76</b>	<b>6.74</b>
<b>Note - 18</b>		
<b>Current liabilities : Others</b>		
Advance received from Customers	19.45	16.75
Statutory dues	21.20	5.75
Other Payables	0.03	0.21
<b>Total</b>	<b>40.68</b>	<b>22.70</b>
<b>Note - 19</b>		
<b>Current provisions:</b>		
<b>Employee benefits</b>		
Gratuity	1.33	1.22
Leave Encashment	0.40	0.40
Sick Leave	0.07	-
<b>Other provisions</b>		
Provision for Expenses	43.68	38.35
<b>Total</b>	<b>45.48</b>	<b>39.97</b>

Particulars	INR in crores	
	For the year ended 31 Mar 21	For the year ended 31 Mar 20
<b>Note - 20</b>		
<b>Other Income:</b>		
Interest income	2.41	7.20
Other non-operating income (net)	6.53	5.26
<b>Total Other income</b>	<b>8.94</b>	<b>12.46</b>
<b>Note - 21</b>		
<b>Cost of Materials consumed:</b>		
Opening stock	2.64	5.10
Add: Purchases	62.10	93.41
Less: Closing stock	(7.59)	(2.64)
<b>Total of cost of material consumed</b>	<b>57.15</b>	<b>95.87</b>
<b>Purchases of Stock in Trade</b>	24.15	0.00
	<b>24.15</b>	<b>0.00</b>
<b>Details of Material consumed</b>		
Lime Stone	21.60	18.72
Fly Ash	15.83	12.84
Gypsum	0.01	3.86
Clinker consumed	5.94	33.98
Raw Material for Ready Mix Concrete	0.82	8.28
Other Raw materials	12.95	18.19
<b>Total</b>	<b>57.15</b>	<b>95.87</b>
<b>Note - 22</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
<b>Closing Stock:</b>		
Finished goods	41.51	45.59
Work-in-progress	0.42	0.47
	<b>41.93</b>	<b>46.06</b>
<b>Less: Opening Stock :</b>		
Finished goods	45.59	21.74
Work-in-progress	0.47	0.19
	46.06	21.93
<b>Net decrease / (increase) of finished goods, work-in- progress and stock-in-trade</b>	<b>4.13</b>	<b>(24.13)</b>
<b>Note - 23</b>		
<b>Employee benefit expense:</b>		
Salaries & Wages and Bonus	46.07	46.38
Contribution to Provident Fund & Other Benefits	0.81	0.88
Staff Welfare Expenses	0.97	1.01
<b>Total of employee benefit expense</b>	<b>47.85</b>	<b>48.27</b>

INR in crores

Particulars	For the year ended 31 Mar 21	For the year ended 31 Mar 20
<b>Note - 24</b>		
<b>Selling expenses:</b>		
Freight outward	231.73	231.05
Stevedoring expenses	13.80	12.78
Sales and promotion expenses	12.70	14.83
<b>Total of selling expenses</b>	<b>258.23</b>	<b>258.66</b>
<b>Note - 25</b>		
<b>Finance costs:</b>		
Interest on Borrowings	64.71	70.32
Other borrowing cost	8.47	7.64
<b>Total of finance Costs</b>	<b>73.18</b>	<b>77.96</b>
<b>Note - 26</b>		
<b>Depreciation &amp; Amortisation Expenses:</b>		
Depreciation & Amortisation Expenses	63.70	62.08
<b>Total of Depreciation &amp; Amortisation expenses</b>	<b>63.70</b>	<b>62.08</b>
<b>Note - 27</b>		
<b>Other Expenses:</b>		
<b>Manufacturing expenses</b>		
Consumption of packing material	22.23	21.90
Consumption of stores and spares	10.54	14.11
Other manufacturing expenses	7.63	7.69
<b>Other operating expenses</b>		
Repairs to plant and machinery	10.74	20.73
Repairs to building	1.27	1.28
Advertisement	2.72	4.86
Audit fees <sup>1</sup>	0.36	0.34
Insurance	2.88	3.83
Foreign exchange loss (net)	(0.03)	4.25
Loss on sale of property, plant & equipment (net)	3.13	-
Corporate social Responsibility expenses <sup>2</sup>	1.81	1.45
Other operating administrative expenses	16.25	19.23
<b>Total of other expenses</b>	<b>79.53</b>	<b>99.69</b>
<b>1. Payment to Statutory Auditors as:</b>		
Payment for Statutory Audit	0.30	0.30
Payment for Limited review	0.06	0.03
Payment for Other Services	0	0.03
	<b>0.36</b>	<b>0.36</b>
<b>2. Corporate Social Responsibilities Expenses</b>		
a) Gross amount required to be spent by the Company during the year INR 1.41 Cr (31 March, 20 : 1.39 Cr) based on average net profit of last three years as per Section 198 of the Companies Act, 2013.		
b) Amount spent during the year in cash on purposes other than construction/acquisition of any asset is INR 1.81 Cr (31 March, 20 : 1.45 Cr) towards animal welfare, green belt development, village education, Covid – 19 and others.		

Particulars	INR in crores	
	For the year ended 31 Mar 21	For the year ended 31 Mar 20
<b>Note - 28</b>		
<b>Statement of other comprehensive income:</b>		
<b>(i) Items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plan	0.26	(0.35)
<b>Total</b>	<b>0.26</b>	<b>(0.35)</b>
<b>(II) Income tax related to items that will not be reclassified to profit or loss</b>		
Remeasurement of defined benefit plan	(0.07)	-
<b>Total</b>	<b>(0.07)</b>	<b>-</b>
<b>Net Comprehensive income</b>	<b>0.19</b>	<b>(0.35)</b>
<b>Note - 29</b>		
<b>Earnings per share:</b>		
Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.		
The following reflects the profit and number of shares used in the basic and diluted EPS computations:		
<b>Profit attributable to equity holders ( INR in crores)</b>	78.19	65.35
Weighted average number of equity shares used for computing EPS (Basic)	251,000,000	251,000,000
Weighted average number of equity shares used for computing EPS (Diluted)	251,000,000	251,000,000
<b>Earnings per share ( Basic ) - INR</b>	<b>3.12</b>	<b>2.60</b>
<b>Earnings per share ( Diluted ) - INR</b>	<b>3.12</b>	<b>2.60</b>

**Note - 30 - Financial instruments – Fair values and risk management:****A. Accounting classification and fair values**

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

**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages cash resources, borrowing strategies, and ensures compliance with market risk limits and policies.

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

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

ii. **Credit risk**

Credit Risk is the risk of financial loss to the Company if 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 31.03.2021	Not due	< 90 days	90-180 days	180-365 days	365-1095 days	>1095 days	Total
Gross carrying amount	0.09	41.99	3.12	1.99	1.51	0.76	49.47
Expected Loss Rate	0.00%	0.00%	2.50%	5.00%	10.00%	25.00%	
Expected Credit Losses	0.00	0.00	0.08	0.10	0.15	0.19	0.52
Carrying amount to trade receivables net of impairment	0.09	41.99	3.04	1.89	1.36	0.57	48.95

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 21	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>						
Borrowings (Refer note – 12)	1,342.61	1,342.61	283.53	87.78	485.94	485.36
Trade payables (Refer note – 15)	137.79	137.79	137.79	0.00	0.00	0.00
Others (Refer note - 13 and 16)*	196.04	196.04	118.78	1.26	62.93	13.07

\* Including of ₹ 52.46 crore on current maturity of long term borrowings



NR in crores

31 March 20	Carrying amount	Contractual cash flows				
		Total	Less than 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>						
Borrowings (Refer note – 12)	1,138.78	1,138.78	256.81	207.24	387.62	287.11
Trade payables (Refer note – 15)	131.24	131.24	131.24	0.00	0.00	0.00
Others (Refer note - 13 and 16)*	312.28	312.28	255.47	1.18	46.78	8.86

\* Including of ₹ 117.11 crore on current maturity of long term borrowings

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. Exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

**v. Currency risk**

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

**Forward Exchange Contracts**

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, 2021 and March 31, 2020 are as below:

	March 31, 2021 INR	March 31, 2021 USD	March 31, 2021 GBP
<b>Financial assets</b>			
Trade receivables (Refer note - 6)	48.25	0.70	-
Cash and cash equivalents (Refer note – 7 )	1.15	-	-
Bank balances other than Cash and Cash Equivalent (Refer note-8)	31.89	-	-
	<b>81.29</b>	<b>0.70</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings (Refer note – 12)	1,334.40	8.21	-
Trade payables (Refer note – 15)	110.22	27.57	-
Others (Refer note - 13 & 16)*	190.42	5.51	0.11
	<b>1,635.04</b>	<b>41.29</b>	<b>0.11</b>

\* Including of ₹ 52.46 crore on current maturity of long term borrowings

	March 31, 2020 INR	March 31, 2020 USD	March 31, 2020 GBP
<b>Financial assets</b>			
Trade receivables (Refer note - 6)	37.41	1.97	-
Cash and cash equivalents (Refer note – 7 )	2.28	-	-
Bank balances other than Cash and Cash Equivalent (Refer note – 8)	51.64	-	-
	<b>91.34</b>	<b>1.97</b>	<b>-</b>
<b>Financial liabilities</b>			
Borrowings (Refer note – 12)	1,124.72	14.06	-
Trade payables (Refer note – 15)	130.96	0.28	-
Others (Refer note - 13 & 16)*	306.66	5.62	-
	<b>1,562.34</b>	<b>19.96</b>	<b>-</b>

\* Including of Rs 117.11 crore on current maturity of long term borrowings

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

INR	Year end spot rate	
	March 31, 2021	March 31, 2020
USD 1	73.50	75.33
EUR1	86.09	83.10

INR	Average rate	
	March 31, 2021	March 31, 2020
USD 1	73.99	71.87
EUR1	85.47	86.03

#### 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
<b>March 31, 2021</b>	
Strengthening	(4.06)
Weakening	4.06
<b>Effect in INR of 10% movement</b>	<b>INR</b>
<b>March 31, 2020</b>	
Strengthening	(1.80)
Weakening	1.80

#### 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 21	31 Mar 20
<b>Fixed-rate instruments</b>		
Floating rate borrowings	1,090.15	952.66
Fixed rate borrowings	299.91	303.22
	<b>1,390.06</b>	<b>1,255.88</b>

**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
<b>March 31, 2021</b>	
Increase in rate	(0.37)
Decrease in rate	0.37
<b>Change in interest rate of 0.50 %</b>	<b>INR</b>
<b>March 31, 2020</b>	
Increase in rate	(0.39)
Decrease in rate	0.39

**Note - 31 - Capital Management:**

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

The Company's adjusted net long term debt to equity ratio at March 31, 2021 was as follows.

INR in crores

	As at	
	31 Mar 21	31 Mar 20
Total long term debts	1,111.55	997.33
Less : Cash and cash equivalents	1.15	2.28
<b>Adjusted net long term debts</b>	<b>1,110.40</b>	<b>995.05</b>
Total equity	1,793.74	1,715.36
Adjusted net long term debts to adjusted equity ratio	0.62	0.58

**Note - 32 - Contingent Liabilities:**

The claims against the company not acknowledged as debt amount to INR 107.55 Crore (31 March 2020 : INR 102.23 Crore) and interest and penalty thereon as may be decided at the time of disposal of the claim. Against above, the Company has deposited a sum of INR 45.91 Crore (31 March 2019 : INR 43.21 Crore) with respective authorities as deposit.

INR in crores

Particulars	31 Mar 21	31 Mar 20
Excise & Service Tax	57.73	55.09
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	2.68	0.00
Other Claims against the Company	2.12	2.12
<b>Total</b>	<b>107.55</b>	<b>102.23</b>

**Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is INR 39.92 Crore Net of advances (31 March 2020 is INR 185.93 Crore Net of advances).

Bank Guarantee outstanding Rs 12.86 Crore (31 March 2020 Rs 11.38 Crore) and Margin against Bank Guarantee Rs 11.21 Crore (31 March 2020 Rs 10.92 Crore)

**Note - 33 - Segment reporting:****(a) Description of segments and principal activities**

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

**(b) Geographical Information**

Particulars	Details	
	Revenue	Non Current Assets
<b>Within India</b>		
31 March, 2021	922.88	3,049.76
31 March, 2020	885.07	2,816.06
<b>Outside India</b>		
31 March, 2021	25.29	-
31 March, 2020	14.94	-
<b>Total</b>		
31 March, 2021	948.17	3,049.76
31 March, 2020	900.01	2,816.06

Domestic revenue includes INR 0.31 Crore self consumption (31 March 2020 : INR 0.31 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 - 34 - Related party disclosures:****a. Subsidiary Company :**

As on 31<sup>st</sup> March 2021, 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. R. K. Pandey	- Non Executive Director, upto 3 <sup>rd</sup> July 2020
Mr. D. K. Kambale	- Non Executive Director
Mr. Sadashiv Sawrikar	- Non Executive Director
Mr. D. B. N. Rao	- Non Executive Director
Mr. M. K. Doogar	- Non Executive Director
Mr. S. Balasubramanian	- Non Executive Director
Ms. Raina Desai	- Non Executive Director
Mr. Anil Agrawal	- Company Secretary

c. M/s Sanghi Energy Limited a group company has given Corporate Guarantee to the Debenture Trustee M/s Vistra ITCL India Ltd. acting for the benefit of the Debentureholders in relation to the issue of listed, rated, secured, redeemable non convertible debentures of an aggregate value of ₹ 305.00 Crores by Sanghi Industries Limited.

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

INR in crores

Particulars	For the year ended 31 Mar 21	For the year ended 31 Mar 20
Remuneration (including Managerial Commission)	7.72	6.11
Sitting Fees	0.10	0.05
Loan from Sh. Alok Sanghi	5.00	-
Loan from Sanghi Energy Limited	2.18	-
Interest on Loan from Sanghi Energy Limited	0.02	-
<b>Total</b>	<b>15.02</b>	<b>6.16</b>

Due to Covid-19 pandemic and consequent Lockdown, Promoters Directors have foregone their salary from the month of April-2020 to June-2020 and also forgone their 25% Salary from July-2020 to September- 2020. Other functional directors have also foregone their 30% salary from the month of April-2020 to June-2020 and 25% Salary from July-2020 to September-2020.

Remuneration includes commission to key managerial persons (\*and \*\*) INR 2.89 Crore (31 March 2020: INR NIL).

**e. 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 21	For the year ended 31 Mar 20
Remuneration payable (including Managerial Commission)	2.78	1.28
Loan from Sh. Alok Sanghi	5.00	-
Loan from Sanghi Energy Limited	2.18	-
Interest Payable on Loan from Sanghi Energy Limited	0.02	-
<b>Total</b>	<b>9.98</b>	<b>1.28</b>

**Note - 35 - Operating lease:**

The company has taken certain assets on operating lease which are cancellable. During the year company has paid INR 1.47 Cr ( FY 19-20 INR 3.74 Cr ) towards cancellable operating lease. There are no operating leases which are non cancellable.

**Note - 36 - Gratuity and other post employment benefit plans:**

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

**I. Defined Contribution Plan** **INR in crores**

Description	31 Mar 21	31 Mar 20
Employer's Contribution to Provident Fund	0.70	0.77

**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 21	31 Mar 20	31 Mar 21	31 Mar 20
<b>1. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
a. Obligation as at the beginning of the year	6.52	5.98	2.13	1.94
b. Current Service Cost	0.68	0.64	0.41	0.38
c. Past Service cost				
d. Interest Cost	0.45	0.47	0.15	0.15
e. Actuarial (Gain)/Loss	(0.26)	0.35	(0.30)	0.20
f. Benefits Paid	(0.46)	(0.92)	(0.29)	(0.54)
g. Obligation as at the end of the year	6.93	6.52	2.10	2.13
<b>2. Reconciliation of fair value of assets and obligation</b>				
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	6.93	6.52	2.10	2.13
c. Amount recognised in the Balance Sheet	(6.93)	(6.52)	(2.10)	(2.13)
<b>3. Expense recognised during the year in Statement of Profit &amp; Loss</b>				
a. Current Service Cost	0.68	0.64	0.41	0.38
b. Actuarial (gain)/loss	0.00	0.00	(0.30)	0.20
c. Interest Cost	0.45	0.47	0.15	0.15
d. Expense recognised during the year	1.13	1.11	0.26	0.73
<b>4. Expense recognised during the year in OCI</b>				
a. Actuarial (Gain)/Loss	(0.26)	0.35	-	-
<b>5. Actuarial Assumptions</b>				
a. Discount Rate (per annum)	6.86%	6.83%	6.83%	6.83%
b. Salary escalation	3.00%	3.00%	3.00%	3.00%
c. Mortality Rate Indian Assured Lives Mortality (Mortality 2006-2008 ult)	Ultimate	Ultimate	Ultimate	Ultimate

**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 21	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.36)	0.40
Salary growth rate (1% movement)	0.37	(0.34)

INR in crores

Particulars	31 Mar 20	
	Increase Gratuity	Decrease Gratuity
Discount rate (1% movement)	(0.36)	0.40
Salary growth rate (1% movement)	0.37	(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 - 37:**

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

**Note- 38:**

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

- (i) Bifurcation of total revenue from contracts with customer as per Ind As 115 is given below:  
 Revenue from contracts with customers INR 935.98 crore  
 - Recognised from contract liability of the previous year INR 16.75 crore  
 - contract liability outstanding as at year end INR 19.59 crore  
 - Recognised from the performance obligation satisfied in current year INR 6.74 crore  
 - Recognised from the contracts entered in current year INR 932.08 crore
- (ii) Performance Obligation pending at year end for which revenue is to be recognised in next financial year is INR 10.76 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- 39 - Research and Development Cost:**

During the year company has incurred INR 1.23 crore towards Research and Development.

Capital Expenditure INR NIL ( Previous Year INR NIL)

Recurring Expenditure INR 1.23 crore ( Previous Year INR 1.21 crore)



**Note - 40 - Dues to Micro and Small Enterprises:**

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

INR in crores

Particulars	31 Mar 21	31 Mar 20
Principal amount due to supplier under the MSMED Act and remaining unpaid as at year end.	0.17	0.06
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made.	-	-
Further interest remaining due and payable for earlier years	-	-

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

**Note - 41 - Disclosure as per Ind AS 116 'Leases':****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 21	For the year ended 31 Mar 20
Opening Balance	12.58	13.53
- Additions in lease liabilities	11.9	0
- Interest cost during the year	2.23	1.57
- Payment of lease liabilities	4.71	2.52
- Termination of lease liabilities	2.01	0
Closing Balance	19.99	12.58
Current	1.58	1.05
Non Current	18.41	11.53

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

Contractual undiscounted cash flows	As at 31 March 2021	As at 31 March 2020
3 months or less	0.96	0.64
3-12 Months	2.87	1.87
1-2 Years	3.34	2.49
2-5 Years	9.44	4.86
More than 5 Years	30.90	21.8
Undiscounted Lease liabilities as at 31 March 2021	47.51	31.66

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

Particulars	For the year ended 31 Mar 21	For the year ended 31 Mar 20
Depreciation expense for right-of-use assets	1.84	1.50
Interest expense on lease liabilities	2.23	1.57
Expense relating to short-term leases	1.47	3.74

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

Particulars	As at 31 March 2021	As at 31 March 2020
Cash Outflow from leases	4.71	2.52

**Note - 42 - Reconciliation of tax expenses and effective tax rate:**

	2020-21		2019 -20	
	in crore	In %	in crore	In %
Profit before share of profit of associates and joint venture and tax expenses	112.58		65.35	
Tax expenses at statutory income tax rate	28.34	25.17%	22.83	34.94%
Effect of Tax exempt Income	-	0.00%	-	0.00%
Other (Unabsorbed depreciation)	(28.34)	25.17%	(22.83)	34.94%
Tax expenses at the Effective income tax rate	-	0.00%	-	0.00%
Tax expenses	-	-	-	-
Tax expenses reported in consolidated statement of profit or loss	-	0.00%	-	0.00%

**Note- 43 - COVID 19:**

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the financial statement, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statement and current indicators of future economic conditions.

**Note - 44:**

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Bill, 2019, the company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT Credit. The company has opted for this option after evaluating the same and made suitable derecognition of MAT Credit of ₹ 27.53 crore and as recognised current tax and deferred tax liability for the year based on above provisions.

**Note- 45:**

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 - 46:**

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

**Amit Chaturvedi**  
Partner  
M. No. 103141  
Place : Mumbai

Place : Ahmedabad  
Date : 10<sup>th</sup> June, 2021

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

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

**For and on behalf of the Board of Directors**

Ravi Sanghi - Chairman and Managing Director  
Aditya Sanghi - Executive Director  
Alok Sanghi - Executive Director  
Bina Engineer - Executive Director & CFO  
N.B. Gohil - Executive Director  
D.K. Kambale - Independent Director  
Sadashiv Sawrikar - Independent Director  
D.B.N. Rao - Independent Director  
S. Balasubramanian - Independent Director  
Raina Desai - Independent Director  
Anil Agrawal - Company Secretary





*Turning Dreams into Concrete Reality*

## **Sanghi Industries Limited**

**Registered Office :**

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