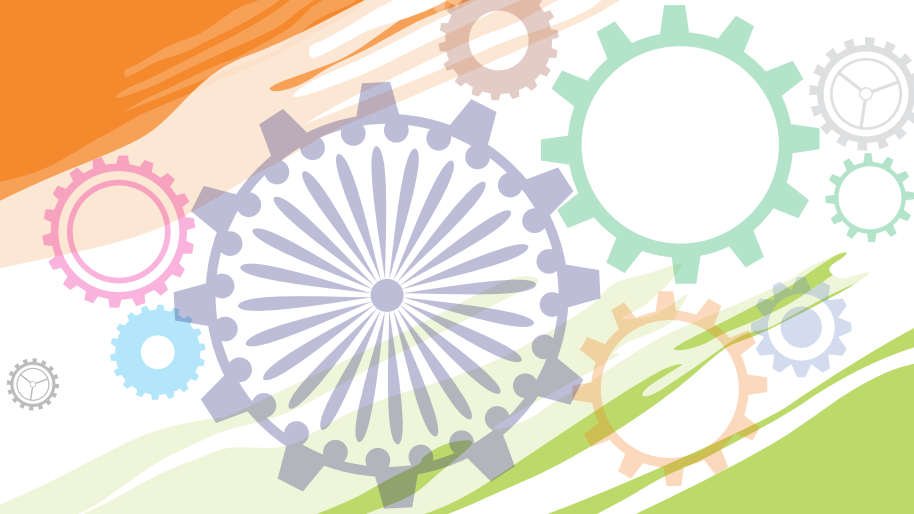


SANGHI INDUSTRIES LIMITED

28th ANNUAL REPORT 2014-15



Turning Dreams into Concrete Reality



Celebrating the spirit of **Make In India**

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 Gireesh Sanghi	Director
Shri D. K. Kambale	Director
Shri Sadashiv Sawrikar	Director
Shri D.B.N.Rao	Director
Shri R.K.Pandey	Director
Shri T.M.Jagan Mohan	Director
Shri Naresh Gwalani	Director

Company Secretary

Shri Anil Agrawal

Joint Statutory Auditors

M/s Ankit & Co.
Chartered Accountants
Hyderabad

M/s Haribhakti & Co.LLP
Chartered Accountants
Ahmedabad

Registered Office

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

Cement Works

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

Corporate Office

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

Mumbai Office

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

Email : companysecretary@sanghiment.com

Website : www.sanghiment.com

DIRECTORS' REPORT

To
The Members of
Sanghi Industries Limited

Your Directors take pleasure in presenting the 28th Annual Report together with the audited financial statements for the year ended 30th June, 2015.

Financial Results

(₹ in crore)

	2014-2015	2013-2014
Gross Revenue	1041.45	1154.24
Net Income	939.35	1056.51
Profit before Interest, Depreciation and Taxation	164.49	205.37
Interest	27.47	14.05
Operating Profit	137.03	191.32
Depreciation	106.43	147.75
Profit Before Tax (PBT)	30.59	43.57
(Add) / Less : Provision for Tax	-	(6.01)
Profit After Tax (PAT)	30.59	49.58
Profit carried to Reserves and Surplus	30.59	49.58

Dividend

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

Transfer to Reserves

Your company has transferred ₹26.88 crores to Capital Redemption Reserve during the year under review.

Operations and Performance of the Company

The Company has commissioned a 1.2 MTPA Grinding facility at the same location in Sanghipuram, Kutch, which was inaugurated by the Hon'ble Chief Minister of Gujarat, Smt. Anandiben Patel thereby taking the total capacity to 4.1 MMTPA.

During the year under review, the total revenue was ₹ 1041.45 crores being lower by 9.77% from ₹ 1154.24 crores in the previous year mainly due to lower volume in Export markets and depressed cement prices particularly in second half of the year.

Accordingly, Profits after Tax for the year has been ₹ 30.59 crores lower from ₹ 43.57 crores in previous year.

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

Material Changes and commitments affecting the financial position of the Company

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year to which the Balance Sheet relates and the date of this report.

Management Discussion and Analysis

A report on Management Discussion and Analysis (MDA), which forms part of this Report, inter-alia deals adequately with the operations as also current and future outlook of the Company.

Deposits

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

Subsidiary Company

The Company has incorporated a Wholly owned Subsidiary Company "Sange Testing Service (Sanghai) Co. Ltd." at Shanghai, China during the year under review. Till the end of the year under review, the company has not invested any funds in the said subsidiary company and the said subsidiary company has also not started any operations, hence, the company is not required to provide details of subsidiary company under prescribed Form AOC – I.

Sanghi Industries Limited

Board of Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Rules framed thereunder, Shri N. B. Gohil (holding DIN: 05149953) Whole Time Director and Smt. Bina Engineer (holding DIN: 01653392), Whole Time Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri N. B. Gohil has been re-appointed as Whole Time Director of the Company for a period of three years w.e.f. 22nd December, 2014 and Shri Ravi Sanghi, has been re-appointed as the Chairman and Managing Director of the Company for a period of five year w.e.f. 1st October, 2015 subject to approval of the Members at the ensuing Annual General Meeting. The resolutions proposing their reappointment are set out in the notice.

Your Directors recommend their re-appointment.

During the year under review, Shri C. S. V. Rao ceased to be Director w.e.f. 20th October, 2014. Shri Naresh Gwalani has been appointed as a Director w.e.f. 13th May, 2015.

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

Corporate Governance Report

The Company has complied with the Corporate Governance Code as stipulated under the Listing Agreement executed with the Stock Exchanges. A separate section on the Corporate Governance Practices followed by the Company together with the certificate from the Auditor confirming compliance is set out in the **Annexure I** forming part of this report.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
- (b) the Directors 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 30th June, 2015 and of the profit of the Company for the year under review;
- (c) the Directors 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) the Directors had prepared the accounts for the period ended 30th June, 2015 on a 'going concern' basis;
- (e) the Directors 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) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Risk Management Policy

Your company has developed and implemented a Risk Management Policy pursuant to Section 134(3)(n) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and Clause 49 (VI) of the Listing Agreement, which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company .

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

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

Number of Board Meetings

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

Insurance

The properties and assets of the Company are adequately insured.

Declaration by Independent Directors

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

Performance Evaluation of the Board Committees and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder read with clause 49 of the Listing Agreement, 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 Board has also evaluated the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. The Directors expressed their satisfaction with the evaluation process and outcome.

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

Policy on Directors' Appointment and Policy on Remuneration

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

Secretarial Audit Report

M/s. Parikh Dave & Associates, Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2014-15 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed form MR-3 is attached as **Annexure III** to this report.

Contracts or Agreements with Related Parties

Pursuant to the provisions of Section 134 of the Companies Act, 2013 all the Contracts and arrangements with related parties under Section 188 of the Companies Act, 2013 entered by the Company during the financial year were in ordinary course of Business and on arms' length basis.

During the year under review, the Company has not entered into any contracts or arrangements with related parties which could be construed "Material" according to the policy of the Company on materiality of related party transactions. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial Statement. The details of Related Party Transactions in Form AOC – 2 are annexed as **Annexure IV** to this Report.

The policy on Related Party Transactions has been uploaded on the website i.e. www.sanghiment.com.

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 V** to this report.

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

Internal Financial Control and their adequacy

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

Sanghi Industries Limited

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 has made any investments falling under purview of Section 186 of the Companies Act, 2013 during the financial year 2014-15.

Statutory Auditors

M/s. Ankit & Company, Chartered Accountants, Hyderabad and M/s. Haribhakti & Co. LLP, Chartered Accountants, Ahmedabad, the Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has also received confirmation from them to the effect that their appointment, if made by the Company for the year 2015-16, would be within the limits prescribed under Section 139 of the Companies Act, 2013. Your Board of Directors recommend their appointment as Joint Statutory Auditors of the Company.

Audit Committee

The Audit Committee of the Company as on 30th June, 2015 consists of following Directors as its members:

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

Vigil Mechanism

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the rules made thereunder and also Clause 49 of the Listing Agreement, your company has established a vigil mechanism termed as Whistle Blower Policy for Directors and employees to report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code of Conduct, which also provides for adequate safeguards against victimization of director(s) / employees who avail of the mechanism and also provide for direct access to the Whistle officer / Chairman of the Audit Committee.

The Whistle Blower Policy is made available on the website of the Company [www. sanghiment.com](http://www.sanghiment.com)

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

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations.

Listing

The Company's securities are listed with the Stock Exchanges at National Stock Exchange and Bombay Stock Exchange. The Company has paid the listing fees for the year 2015-16 to both the Stock Exchanges.

Cost Audit

The Company has appointed M/s. N D Birla & Co., Cost Accountants, Ahmedabad, as cost auditor of the Company for audit of cost accounting records for the year 2015-16. The Audit report of the cost accounts of the Company for the year ended 30th June, 2015 will be submitted to the Central Government in due course.

Corporate Social Responsibility

At Sanghi Industries Limited (SIL), the Corporate Social Responsibility (CSR) has been an integral part of the way we have been doing our business since inception. SIL is having 4.1 million tonnes per annum capacity cement plant in the Abdasa taluka of Kutch district in Gujarat. Right from the time, work on the cement plant began in Kutch in 1994, SIL's promoters have 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. As per Group tradition, the Company is conscious about the responsibility towards society and has proved itself as a responsible Corporate Citizen.

SIL enjoys the distinction of being one of the first cement companies in India to be awarded SA:8000:2008 i.e. Social Accountability Certificate for its plant for the last seven years (earlier SA:8000:2001). Social Accounting is a process of ongoing monitoring, evaluation and accountability which helps an organization to measure its performance against social, environmental and economic objectives and ensures that its working is in accordance with its values.

This certification is a result of the sincere and untiring efforts put in by the management for fulfilling its Corporate Social Responsibility over the last decade for:

- Creating green revolution in the desert Kutch region by cultivating land for growing trees, fruits, vegetables and flowers;
- Providing educational facilities through a CBSE affiliated School;
- Providing hospitals and first aid facilities within few hundred kilometers; and
- Conducting social awareness programmes on various issues.

The Company has constituted the Corporate Social Responsibility Committee in compliance with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility policy enumerating the CSR Activities to be undertaken by the Company, in accordance with the Schedule VII of the Companies Act, 2013 was recommended to the Board and the Board approved and adopted the same. The said policy is also placed on the website of the Company www.sanghicement.com. The requisite details on CSR Activities pursuant to Section 135 of the Companies Act, 2013 and rules framed thereunder are annexed as **Annexure VI** to this report.

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

Extract of the Annual Return

Extract of the Annual Return as on 30th June, 2015 in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure VII**.

Environment and Pollution Control

Your plant is certified for Environment Management System ISO:14001:2004. Stringent internal environmental measures are adopted, adhered to and maintained to run the plant operations in an eco-efficient manner.

Some of these measures include:

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

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

Conservation of Energy

Energy conservation is driven through the organization, by way of setting division-wise targets and monitoring performance on day-to-day basis for optimizing energy consumption. The MIS Cell & Energy Steering Committee is working on energy accounting and conservation program by handling issues associated with it. SIL strive to implement latest technologies for energy efficiency, alternative resources and minimize adverse impact on environment.

Apart from implementing the measures which were initiated last year, the following new measures have been initiated during the year.

- Installation of SPRS (Slip Power Recovery System) in Coal mills fan to reduce power consumption.
- Installation of Process expert in Kiln, Cooler and Cement Mills for process optimization and overall efficiency enhancement .
- Modification of Raw mill cyclones inlet duct to improve cyclones efficiencies.
- Higher usage of alternative fuel in Kiln.
- Adaptation to best practices and processes of the sector.
- Continuous process optimization and reduction in false air ingress.

Impact of the measures mentioned herein above certainly reduces the energy consumption and consequent reduce the cost of energy in the manufacturing process.

Technology Absorption

Your Company adopts value engineering techniques for enhancing productivity and cost effectiveness. All efforts are made to explore the possibility of replacing certain imported parts of machineries with indigenous parts for reducing the cost and level of inventory considering the easy availability on time.

Sanghi Industries Limited

Your Company continues to make conscious efforts to evaluate opportunities for technological innovation, upgradation for improving level of operations resulting into savings in cost and enhanced efficiencies.

Research and Development

The Company is conducting ongoing research on product quality improvement, waste treatment and recycling, energy and water conservation and restoration as well as enhancement of green cover in the vicinity.

Foreign Exchange Earnings and Outgo

The particulars with regard to Foreign Exchange earnings and outgo are set out in Note 32 of Notes on Accounts of Annual Report.

International Accreditations

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

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

Recognitions for best practices

In recognition of our outstanding performance in Environment Management, the company has been awarded the “**15th Annual Greentech Environment Award 2014**” in Gold Category in Cement Sector on 29th January, 2015.

In recognition of initiatives for waste minimization, the Company has been awarded by Federation of Kutch Industries Association (FOKIA) amongst the Environment Conservation & Protection Category for “**Excellence in Waste Management Initiatives**” for 2013, on 3rd August, 2014.

Award conferred to our various mines during celebration of “22nd Mines Environment & Mines Conservation Council 2014-15 under the aegis of Indian Bureau of Mines, Udaipur Region are as below:-

Sl. No.	Awards conferred to Jadua Limestone Mines	Awarded
1.	Afforestation / Plantation	First Prize
2.	Scientific Development of Mineral Deposit	First Prize
3.	Overall Performance	First Prize
4.	Protective Measures Taken For Air & Water Pollution Control	Second Prize
Awards conferred to Motiber Silica Sand Mines		
1.	Publicity & Propaganda	First Prize
2.	Community Development	First Prize
3.	Protective Measures Taken For Air & Water Pollution Control	First Prize
4.	Scientific Development of Mineral Deposit	First Prize
5.	Overall Performance	First Prize

Awards conferred to our various mines during celebration of “5th Gujarat Metalliferous Mines Safety Week - 2014” under the aegis of Directorate General of Mines Safety, Ahmedabad Region are as below:-

Sl. No.	Awards conferred to Jadua Limestone Mines	Awarded
1.	Raising by Surface Miner	First Prize
2.	Haul Road Maintenance & Transportation	Second Prize
3.	Vocational Training, Improvements & Innovation	Second Prize
4.	Overall Performance	Second Prize
5.	Mine Working & Implementation of 10 th National Safety Conference Recommendation	Third Prize
	Awards conferred to Motiber Silica Sand Mines	
1.	Appointment of Statutory Person & Maintenance of Records	First Prize
2.	Quarry Working & General Safety	First Prize
3.	Overall Performance	First Prize
4.	Publicity, Propaganda & House keeping	Third Prize

Industrial Relations

Industrial relations 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.

Acknowledgements

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

For and on behalf of the Board

Place : Mumbai

Date : 28th August, 2015

Ravi Sanghi
Chairman & Managing Director



Inauguration of Company's 3rd Cement Mill and Foundation Stone of Waste Heat Recovery Plant by Hon'ble Chief Minister of Gujarat.



Stress Buster Programme



Gold Category Award 2014 for environment management from Greentech foundation, New Delhi.



Art of Living



Corporate Volleyball Tournament



Celebration of World Environment Day at Plant



Participation in Blood Donation Camp



Dealers' tour at South Africa

MANAGEMENT DISCUSSION AND ANALYSIS

The Management presents the analysis of your Company's performance during the year ended on 30th June 2015 ("FY-15") and comparison over corresponding period of the previous year ("FY-14"). The Management also presents its outlook on the cement industry, in brief, for the future. This outlook is based on current business environment and information available on Indian economic scenario and may vary due to future economic and other developments in India and abroad.

Macro Economics of India

During 2014-15 (Apr-Mar), India's Gross Domestic Product (GDP) increased to 7.4% from 6.9% in 2013-14.

The Current Account Deficit (CAD) was 1.9% of GDP during April 2014 to September 2014 period. The CAD was 1.7% of GDP in 2013-14 and 4.7% of GDP in 2012-13.

The Gross Fiscal Deficit to GDP ratio reduced to 4.1% (budget estimates) in 2014-15 from 4.5% in 2013-14. It was 4.8% in 2012-13. These factors indicate a gradual stabilisation of our macro-economy.

The growth in GVA at constant basic prices for Construction sector was 4.5% during 2014-15 compared to 2.5% in 2013-14 and -4.3% in 2012-13.

Cement Industry – Present Scenario and Outlook

The cement industry's operating rate, which decelerated from 85% in FY-10 (Apr-Mar) to 69% in FY-14, recovered slightly to 71% in FY-15, resulting in 5.2% rise in cement demand. The low operating rates over last few years is a result of slower demand growth coupled with continuing capacity additions. The sluggish pan-India cement demand was due to slowdown in housing, infrastructure and related economic activity.

Overall, the industry added 22 million tonne per annum (mtpa) of capacities in FY-15, with higher additions in the eastern and central regions. With these additions, the capacity of cement industry as on 31st March 2015 was around 395 mtpa.

The cement prices increased moderately by around 5% in FY-15 on an all-India basis.

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

The present Government is focussed on nation-wide infrastructure growth and various affordable housing projects, amongst other initiatives. The Indian Government's measures to promote investment in ports, roads, airports and other infrastructure projects are also likely to support cement demand. The cement companies are also likely to also benefit from the proposed increase in long term funding availability for infrastructure projects which is likely to facilitate more investment in these sectors. The acquisitions and/or mergers happening in the cement industry is an indication towards future positive outlook on the cement industry.

Based on the above, the cement industry's analysts expect cement volumes to grow by around 7% and prices by around 5-6% over next two years on an annual basis. On a long term horizon, the industry's capacity utilization rate is projected to improve gradually to around 85% by FY-20 over next five years, resulting from gradual increase in demand and limited capacity additions.

Amendments in Mines and Minerals (Development and Regulation) Act (MMDRA)

The MMDRA has been amended through the ordinance in January 2015 providing for compulsory auctioning of some mineral resources including limestone. But, there is no retrospective implications for existing miners. The main features are given below.

- a) **Lease period changed to 50 years** All mining leases will now be for a period of 50 years from the date of commencement. The earlier act granted leases initially for 20 years, with a provision for 20 years of deemed renewal, followed by application-based renewals. The revision does away with lease renewals, calling for compulsory auction after 50 years.
- b) Based on above, our limestone lease is valid till March 2046.
- c) The industry is required, in addition to royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried out, an amount not exceeding the royalty paid, in such a manner and subject to the categorization of the mining leases and the amounts payable by the various categories of lease holders, as may be prescribed by the Central Government. Further, a sum equivalent to two percent of the royalty is required to be contributed to the National Mineral Exploration Trust as per the requirement of the Mines and Minerals (Development and Regulations) Amendment Act, 2015.

Changes in Duties and Tariffs in Union Budget of 2015-16

The effective excise duty on cement has increased marginally from 12.4% + ₹120 per tonne to 12.5% + ₹125 per tonne in trade category while in non-trade segment it is 12.5% of transaction value.

The clean energy cess on coal (domestic and imported) has been increased to ₹200 per tonne from ₹100 per tonne.

Key developments in Company

1. Recognitions for best practices

- The Company has won consecutively for the second time 15th Annual Greentech Environment Award - 2014 "Gold Award" in Cement Sector for outstanding achievement in Environment Management from Greentech Foundation on 29th January 2015 at Kolkata.
- It has won the following various prizes during 22nd Mines Environment and Mineral Conservation Council 2014-15 awards function which is under the aegis of Indian Bureau of Mines, Udaipur Region.

	Jadua Limestone Mine	
1	Overall Performance.	First Prize
2	Afforestation / Plantation.	First Prize
3	Scientific Development of Mineral Deposit.	First Prize
4	Protective Measures Taken for Air & Water Pollution Control.	Second Prize

	Motiber Silica Sand Mine	
1	Scientific Development of Mineral Deposit.	First Prize
2	Publicity & Propaganda.	First Prize
3	Overall Performance.	First Prize
4	Community Development.	First Prize
5	Protective Measures Taken for Air & Water Pollution Control.	First Prize

- The Company has also won various prizes during the 5th Gujarat Metalliferous Mines Safety Week during 2014-15, as follows.

	Jadua Limestone Mines :	
1	Raising by explosives, storage & transportation/Raising by Surface Miner.	First Prize
2	Overall Performance.	Second Prize
3	Haul Road Maintenance & Transportation.	Second Prize
4	Vocational Training, Improvements & Innovations.	Second Prize
5	Mining Working & Implementation of 10 th Conference.	Third Prize

	Motiber Silica Sand Mines	
1	Overall Performance.	First Prize
2	Appointment of statutory person & maintenance records.	First Prize
3	Quarry Working & General Safety.	First Prize
4	Publicity Propaganda & House Keeping.	Third Prize

2. International Accreditations

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

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

Sanghi Industries Limited

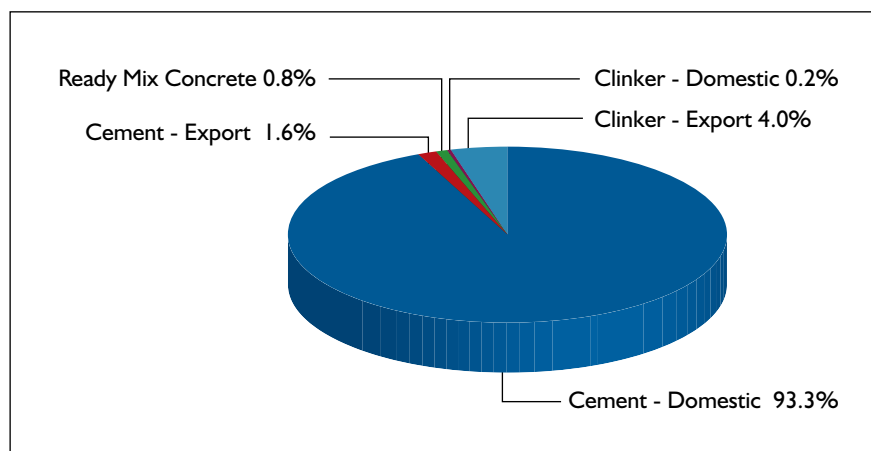
3. Volume and Sales

During the year, Company achieved the following sales volume.

Product	(mt)		%
	2015	2014	
Cement	2,138,836	2,145,155	
Clinker	203,938	674,991	
RMC (Meter Cube)	26,167	4,018	
Total	2,368,941	2,824,164	-16%

The gross sales were ₹1,167 crore in FY-15 with a decline of 9% over FY-14 with a gross sales of ₹1,288 crore.

Geographical proportion in FY-15 by value



The average domestic price for cement has remained nearly stable at around ₹260 per 50 kg bag.

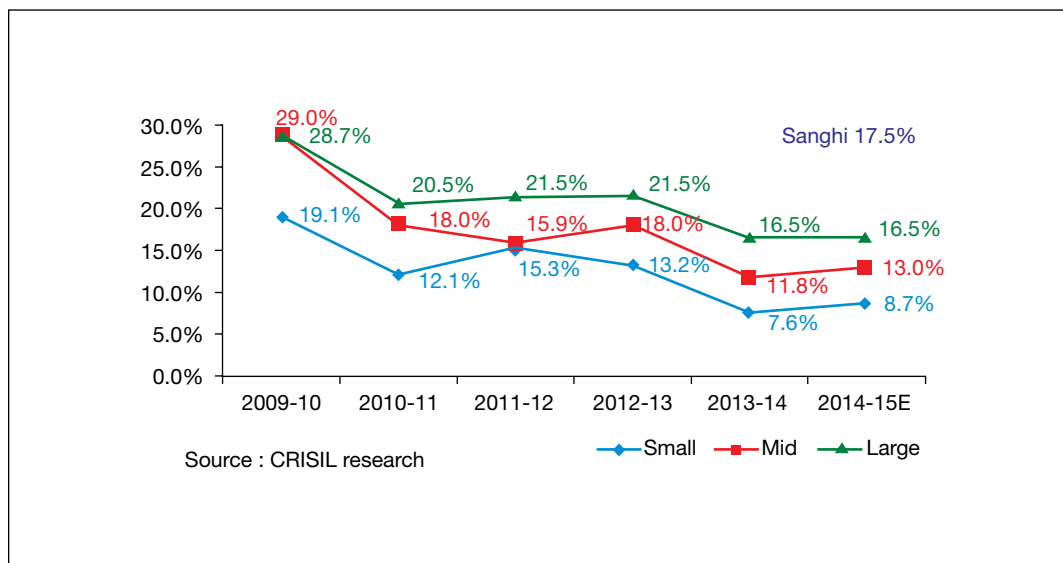
4. Costs

1. In FY-15, there was a damage to the chimney in Clinker plant due to heavy thunder storm and striking of lightening during September-October 2014. This has escalated the costs for the Company and reduced sales and thereby profits.
2. The raw material cost per tonne of production has increased due to increased in FY-15 partly due to increase in royalty rate on limestone by ₹17 per tonne to ₹81 per tonne and 2% advalorem increase on Silica Sand.
3. Average power cost per tonne of production increased by around 16% in FY-15 due to change in fuel mix and some increase in power units.
4. The fuel cost per tonne has remained nearly same during FY-15 and FY-14.
5. Overall, selling and distribution cost per tonne has increased by around 20% out of which 15% is on account sales discount and commission and balance is due to freight and other factors. Freight cost also depends on the domestic geographical mix of the sales volumes.
6. Packing cost per PP bag has reduced marginally in FY-15 compared to FY-14.
7. The stores and spares cost has increased by around 10% due to replacement of filter bags of bag house (used in dust control) at clinker plant.

5. Profits and Margins

- i) The Company has earned Profit before Depreciation, Interest and Taxation (PBDIT) of around ₹165 crore in FY-15 compared to ₹205 crore in FY-14. The PBDIT margins were 17.5% and 19.4% respectively during these years.
- ii) The profit before tax in FY-15 was ₹30.59 crore against ₹43.57 crore in FY-14. The net profit after tax is ₹30.59 crore in FY-15 against ₹49.58 in FY-14.

Average Operating Margin of Cement Companies amongst size-category



6. Internal Control Systems

The management maintains adequate internal control systems to support its business operations and statutory compliances. To further strengthen this, the Company has adapted a fully integrated ERP tool using world's leading software technology provided by "SAP". In addition, the continuous Internal Audit also aims at testing the operational effectiveness of the internal 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 infrastructure spending planned by the Central and State Governments of India, your Company expects a demand boost 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.

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

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.

Annexure I

Report on Corporate Governance

1. A brief statement on the Company's philosophy on Code of Governance:

The Company defines Corporate Governance as a systematic process by which companies are directed and controlled to enhance their wealth generating capacity. The Corporate Governance initiative is based on two core principles. They are (i) Management must have the executive freedom to drive the enterprise forward without operational constraints; and (ii) this freedom of management should be exercised within a framework of effective accountability.

The Company believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and society's expectations.

From the above definition and core principles of Corporate Governance emerges the cornerstone of the company's governance philosophy, namely trusteeship, empowerment and accountability, transparency, control and ethical corporate citizenship. The Company believes that the practice of each of these leads to the creation of the right culture in which the Company is managed in a manner that fulfills the purpose of Corporate Governance.

2. Board of Directors:

The Board of Directors consists of professionals drawn from diverse fields having varied experience. Shri Ravi Sanghi is the Chairman and Managing Director of the Company, who conducts the day-to-day management of the Company, subject to the supervision and control of the Board of Directors. The Composition of the Board is in conformity with the Clause 49 of the listing agreement entered into with the Stock Exchanges.

Composition and category of Directors as on 30th June, 2015 is as under:

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

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 four Board Meetings were held on 21st August, 2014, 13th November, 2014, 10th February, 2015 and 13th May, 2015. The Company has observed the provisions of listing agreement allowing not more than four months gap between the two Board Meetings.

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

Names of Director	No. of Board Meetings attended	Attendance at the Last AGM	No. of Directorships of Other Companies *	No. of Membership of other Board Committees	No. of Chairmanship of other Board Committees #
Shri Ravi Sanghi	4	Yes	1	-	-
Shri Gireesh Sanghi	1	No	3	-	-
Shri Aditya Sanghi	4	No	5	-	-
Shri Alok Sanghi	4	No	5	-	-

Names of Director	No. of Board Meetings attended	Attendance at the Last AGM	No. of Directorships of Other Companies *	No. of Membership of other Board Committees	No. of Chairmanship of other Board Committees #
Smt. Bina Engineer	4	Yes	1	-	-
Shri Sadashiv Sawrikar	4	Yes	1	-	-
Shri T. M. Jagan Mohan	4	Yes	-	-	-
Shri R. K. Pandey	4	No	7	5	2
Shri C. S. V. Rao @	1	No	-	-	-
Shri D. K. Kambale	4	No	2	-	-
Shri D. B. N. Rao	4	No	3	-	-
Shri N. B. Gohil	3	No	1	-	-
Shri Naresh J. Gwalani \$	1	No	-	-	-

@ Ceased to be director w.e.f. 20th October, 2014

\$ Appointed as director w.e.f. 13th May, 2015

* Excludes alternate directorships / directorships of private companies, foreign companies and companies under Section 25 of the Companies Act, 1956 / Section 8 of Companies Act, 2013.

Includes only Audit Committee / Stakeholders Relationship Committee.

Shareholding of Non-Executive Directors as on 30th June, 2015 is as follows:

Name of Directors	Number of Equity Shares of Rs 10/- each of the Company.
Shri Gireesh Sanghi	28,07,900 Shares (1.28%)
Shri Sadashiv Sawrikar	NIL
Shri R. K. Pandey	NIL
Shri D. K. Kambale	NIL
Shri T. M. Jagan Mohan	NIL
Shri D. B. N. Rao	NIL
Shri Naresh J. Gwalani	NIL

3. Committees of the Board of Directors:

a. Audit Committee:

As required under Section 177 of the Companies Act, 2013 read with the provisions of Clause 49 of the Listing agreement, the Board has constituted the Audit Committee. The Audit committee of the Company is adequately constituted. The terms of reference of the Audit Committee are outlined as under:

Brief description of Terms of Reference:

The terms of reference of Audit Committee are as under:

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

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

During the year ended 30th June, 2015, the Committee meetings were held on 21st August, 2014, 13th November, 2014, 10th February, 2015 and 13th May, 2015. The composition, names of members and record of attendance during the year, consisting of Independent Directors, is as under:

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

The Chairman & Managing Director and Executive Director (Finance) 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.

b. Business Operations and Finance Committee:

Brief description of Terms of Reference:

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

- To review the adequacy of term debt, fund based and non-fund based borrowings and all Banking arrangements and cash management and to approve any modification, addition and reduction of the same.
- To make application for new loans and facilities, negotiate and finalize the terms, acceptance of sanction letters, loan documents, security documents such as mortgage, hypothecation deeds, etc. and such other related matters with respect to obtaining new loans/facilities or change in the terms and conditions of existing loans within the overall limits of the board powers.
- To convey acceptance of Sanction Letters, to approve the execution of Letters of Acknowledgment of Debts, Revival Letters, to negotiate, deal, and make settlement with Lenders, Balance Confirmation Letters that may be received from various Banks and Financial Institutions.
- To approve the exercise of guarantees as may be required by Banks, Financial Institutions, Central Excise, Customs and Sales Tax authorities, etc. on any matter pertaining to the working affairs of the Company.
- To review and approve short term and long term investment transactions, including deployment of surplus funds in various instruments.
- To review and approve from time to time various business arrangements, projects, purchase of equipments and apparatus for the existing and new business.
- To approach and negotiate with various debtors and creditors with proposals to settle the outstanding dues, etc., and to approve the execution of any type of payment arrangement with the consenting parties, etc.
- To make recommendations to the Board relating to the capital structure and issuance of securities, etc., including the authority to approach Investors (Institutional/Private) for infusion of funds by way of equity and to accept equity investment offers as may be received and which are suitable to the Company and to carry out effective execution of such capital infusion subject to such regulatory approvals as may be necessary.
- To open, operate and close bank accounts with various Banks as may be necessary from time to time and to delegate authority to any of the Officials of the Company to open, operate and conduct all required banking transaction including issue, negotiate and receive cheques, bills of exchanges, letter of credit, promissory notes, hundies, etc. and close the Banking accounts so opened and execute necessary documents to open, operate and close the bank accounts, subject to such ceiling as committee may in its discretion decide for the transactions to be entered into by such officials of the Company.
- To make and submit whether by committee itself or delegate authority to the Officials of the Company various representations, applications, agreements etc., as may be necessary from time to time with various Banks and Financial Institutions including Letters

of Credits, Amendments to Letters of Credit etc., among others for availing financial assistance - long term and short term including working capital proposals, restructuring of the said financial assistance, etc.

- To make and submit whether by committee itself or to delegate authority to the Officials of the Company to apply for various telephone, telex and facsimile, internet connections etc., to the Department of Telecommunications or to the Private Telephone Operators, etc.
- To enter and/or to delegate authority to officials of the Company for entering into all sorts of business agreements, contracts with the parties for procurement of machineries, equipments, godowns, warehouses, stockyards, opening of branch office, representative office, to set up packing and storage facilities to construct terminals, etc.
- To file, defend and to grant and delegate authority to the Officials of the Company to file and defend various legal cases as may be necessary from time to time for recoveries of monies due to the Company or as may be filed against the Company including the powers to engage counsel and submit evidence both oral and written in this regard subject to obtaining the approval of the Board for defending important and vital legal disputes.
- To grant and delegate authority to the Officials of the Company to represent the Company before Central Excise and Customs, Sales Tax, Municipal and Local Government authorities, Income Tax authorities, Reserve Bank of India and Court of Law and any other judicial body and such other Governmental/Non-Governmental/Quasi Governmental authorities as may be necessary from time to time on behalf of the Company.
- To make contributions to any Charitable or Religious or Political purposes as may be permissible from time to time subject to the various provisions of various laws as may be in force or to delegate authority to any officials of the Company in this regard subject to such restrictions laid down by the various laws.

During the year ended 30th June, 2015, the Committee meetings were held on 21st August, 2014, 13th November, 2014, 22nd December, 2014, 10th February, 2015 and 13th May, 2015. The composition, names of members and record of attendance during the year, consisting of Directors, is as under:

Name of Business Operations and Finance Committee Members	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman	5	5
Shri Ravi Sanghi, Member	5	5
Smt. Bina Engineer, 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:

As required under Section 178 of the Companies Act, 2013 read with the provisions of Clause 49 of the Listing agreement, the Board has constituted the Nomination and Remuneration Committee. The Nomination and Remuneration committee of the Company is adequately constituted. The terms of references of the Nomination and Remuneration Committee is outlined as under:

Brief description of Terms of Reference:

The terms of reference of Nomination and Remuneration Committee is as under :

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

During the year ended 30th June, 2015, the Nomination and Remuneration Committee meeting was held on 21st August, 2014. The composition, names of members and record of attendance during the year, consisting of Directors, is as under :

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

Remuneration Policy:

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

d. Stakeholders Relationship Committee:

In terms of Section 178 of the Companies Act, 2013, the Company has constituted the Stakeholders Relationship Committee. The terms of reference of the Stakeholders Relationship Committee are as under:

Brief description of Terms of Reference:

The Committee oversees redressal of grievances of shareholders and investor complaints, approves transfer and transmission of shares; authorizes issue of duplicate share certificates; and generally deals with all matters in connection with all securities issued by the Company from time to time.

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

Name of Stakeholders Relationship Committee Members	No. of Meetings held	No. of Meetings attended
Shri T. M. Jagan Mohan, Chairman	17	17
Shri Sadashiv Sawrikar, Member	17	17
Shri Ravi Sanghi, Member	17	17

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

e. Corporate Social Responsibility Committee :

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

Brief description of Terms of Reference:

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

During the year ended 30th June, 2015, the Committee meetings were held on 21st August, 2014 and 13th May, 2015. The composition, names of members and record of attendance during the year, consisting of Directors, is as under :

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

f. Risk Management Committee :

In terms of Clause 49 (VI) of the Listing Agreement, a Committee of the Board known as 'Risk Management Committee' was constituted by the Board of Directors in their meeting held on 10th February, 2015. The terms of reference of the Committee are as under:

Brief description of Terms of Reference:

- To consider, review and recommend the Risk Management Policy, guidelines, processes and practices of the Company.
- To ensure that the Company is taking the appropriate measures to achieve balance between the risk and reward in ongoing and new business activities.
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.

- To coordinate its activities with the Audit Committee in instances of overlap with audit activities.
- To provide periodical reports/recommendations to the Board of Directors.
- To adopt best method in the interest of the Company to deal with different kinds of risks being confronted by the Company.

During the year ended 30th June, 2015, the Committee meeting was held on 13th May, 2015. The composition, names of members and record of attendance during the year, consisting of Directors, is as under :

Name of Risk Management Committee Member	No. of Meetings held	No. of Meetings attended
Shri Sadashiv Sawrikar, Chairman	1	1
Shri Ravi Sanghi, Member	1	1
Shri N. B. Gohil, Member	1	1

g. Independent Directors' Meeting:

As per the provisions of the Schedule IV of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, 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 13th May, 2015. 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.

4. Managerial Remuneration:

In accordance with the approval of the Board and of the Company in General Meeting and such other approvals as may be required, the Managing Director / Executive Director(s) are paid remuneration as per the agreements entered into between them and the Company. 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. 01.10.2010	Five Years w.e.f. 06.09.2012	Five Years w.e.f. 06.09.2012	Three Years w.e.f. 06.09.2013	Three Years w.e.f. 22.12.2014
Salary and Commission	As per the approval of the shareholders				
Perquisites	As per the approval of the shareholders and as per the rules of the Company				
Minimum Remuneration	Where in any financial year, the Company has no profits or its profits are inadequate, then the Company will pay remuneration by way of salary and perquisites in accordance with the provisions of Schedule V of Companies Act, 2013.				
Notice Period	The agreements may be terminated by either party giving the other party six months notice in writing of such termination.				

The details of salary and perquisites (including contribution to provident fund/superannuation fund, etc. if any) paid or debited to Statement of Profit and Loss during the year ended 30th June, 2015 towards Salary of Chairman & Managing Director and Executive Director(s) are as follows :

(₹ in Lacs)

Name of Director	Shri Ravi Sanghi, Chairman & Managing Director	Other Executive Directors
Salary and Allowances	142.20	348.67
Perks	0.40	1.58
Commission	Nil	Nil
Company's contribution to PF and Superannuation Fund	Nil	Nil

The Company has not formulated any scheme for giving stock options to its employees. Hence, no stock options have been granted to the Chairman & Managing Director and Executive Directors for the year 2014-2015.

Non-Executive Directors:

None of the Non-Executive Directors have any pecuniary interest or transactions with the Company, except receiving sitting fee of ₹4500 (Rupees Four Thousand Five Hundred Only) and incidental expenses of ₹3000 (Rupees Three Thousand Only) from the Company for attending each meeting of the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Risk Management Committee of Directors and for attending the Independent Directors meeting.

During the year ended 30th June, 2015, the Company has paid the following amount towards sitting fees & incidentals to the Directors for attending the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Risk Management Committee/Independent Directors Meetings:

Name of Director	Sitting Fees Amount (₹)	Incidental Expenses (₹)	Total Amount (₹)
Shri D. K. Kambale	27000	18000	45000
Shri D. B. N. Rao	22500	15000	37500
Shri Gireesh Sanghi	4500	3000	7500
Shri Sadashiv Sawrikar	49500	33000	82500
Shri T. M. Jagan Mohan	45000	30000	75000
Shri R. K. Pandey	49500	33000	82500
Shri C. S. V. Rao	4500	3000	7500
Shri Naresh J. Gwalani	4500	3000	7500

5. Subsidiary Companies:

The Company has incorporated a Wholly owned Subsidiary Company “Sange Testing Service (Sanghai) Co. Ltd.” at Shanghai, China during the year under review. However, the Company has not invested any funds till date in the said subsidiary company.

6. Particulars for investors:

Name and Designation of Compliance Officer:

Shri Anil Agrawal - Company Secretary

E-mail: companysecretary@sanghiment.com

The Company has entered into agreements with both depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to participate in the Depository System of share registration. The Company had appointed M/s. CIL Securities Limited having their office at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001 as the Registrars for Share Transfers and the Dematerialization of Shares.

The Company had attended to all complaints / queries of investors within a period of 7 – 14 days from the date of receipt. Regarding requests for dematerialization of shares, the Company had followed the specified time schedule as stipulated in this regard and as on 30th June, 2015, no investor complaints were pending for redressal and all letters received in this regard have been replied to.

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

The status of the Investors' Complaints during the Financial Year 2014-15 are as under:

Investor Complaints during FY 2014-15	No. of Complaints
Pending at the beginning of the Financial Year 2014-15 i.e. 01/07/2014	1
Received during the Financial Year 2014-15	2
Disposed of during the Financial Year 2014-15	3
Remaining unresolved at the end of the Financial Year 2014-15 – 30/06/2015	0

7. General Body Meetings:

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

Year	Type of Meeting	Date	Venue	Time	No. of Special Resolutions passed
2012	AGM	25.09.2012	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Andhra Pradesh – 501 511	10.30 a.m.	6
2013	AGM	28.09.2013	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Andhra Pradesh – 501 511	10.30 a.m.	1
2014	AGM	22.09.2014	Registered Office at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District Telangana – 501 511	10.30 a.m.	4

No special resolution requiring a postal ballot was passed during the Financial Year 2014-15.

8. Disclosures:

Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:

Particulars of the related party transactions are listed out in Note 28 of the Notes of Accounts of Annual Report. However, none of the transactions with any of the related parties were in conflict with the interests of the Company.

- Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets during the last three years:
The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/strictures have been imposed against the Company during the last three years.
- Disclosures of the compliance with mandatory requirements and adoption/non adoption of non-mandatory requirements:
The Company has complied with all the mandatory requirements.
- Disclosures of relationships between Directors inter-se:
Shri Ravi Sanghi and Shri Gireesh Sanghi are brothers and Shri Aditya Sanghi and Shri Alok Sanghi are the sons of Shri Ravi Sanghi. None of the other Directors are inter-se related.
- Disclosure of Accounting Treatment:
In preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.
- Board Disclosures – Risk management:
The business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.
- Whistle Blower policy:
In accordance with the requirements of Section 177(9) of the Companies Act, 2013 read with the provisions of Clause 49 of the Listing agreement, 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.

9. Means of Communication:

A. Financial Results:

The Quarterly and half yearly and Annual Results are published in widely circulated national and local dailies such as Financial Express and Vaartha and are displayed on the website of the Company www.sanghicement.com

B. News Releases, Presentations etc:

Official News releases, press releases and presentation made to the Analysts, institutional investors, etc. are displayed on the website of the Company www.sanghiment.com.

C. Website:

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

10. Cost Audit:

In accordance with the stipulation made by the Ministry of Corporate Affairs, New Delhi directing the Company to get the cost records audited, the Company had appointed M/s. N.D. Birla & Company, Cost Accountants, Ahmedabad, as the Cost Auditors.

11. General Shareholder Information

Annual General Meeting Day, Date, Time and Venue	:	Saturday, the 14 th November, 2015 at 11.00 a.m. at Sanghinagar PO. Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511.
Financial Year / Calendar Next Financial Year i.e. 2015-16 will be for Nine Months i.e. from 01.07.2015 to 31.03.2016.		
<ul style="list-style-type: none"> Results for first quarter ending 30th September, 2015 Results for second quarter ending 31st December, 2015 Results for third and Last quarter ending 31st March, 2016 	:	<p>On or before 14th November, 2015</p> <p>On or before 14th February, 2016</p> <p>On or before 30th May, 2016</p>
Date(s) of Book Closure/ Record Date	:	Thursday, 29 th October, 2015 to Saturday, 31 st October, 2015 (both days inclusive)
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 Abdasa, District Kutch, Gujarat – 370 511
Registrar & Share Transfer Agent (RTA) and address	:	CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001 Phone : 040 – 2320 2465 Fax : 040 – 2320 3028 E-mail: advisors@cilsecurities.com
Address for Investors Correspondence	:	Either to the Company at its registered office address or to the RTA
Listing on Stock Exchanges	:	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
Payment of Annual Listing Fee	:	Annual Listing Fee for the year 2015-16 has been paid to both the Exchanges.
Stock Code	:	BSE – 526521 NSE – SANGHIIND
Demat ISIN in NSDL and CDSL	:	INE999B01013

❖ **Monthly High and Low Quotation of Shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for 2014-15:**

Sl. No.	Month	BSE		NSE	
		High	Low	High	Low
1	July-2014	30.50	24.90	30.65	25.50
2	August	38.80	27.55	39.00	27.25
3	September	57.90	36.25	56.85	35.55
4	October	65.60	54.75	65.80	53.90
5	November	61.85	43.30	60.75	43.50
6	December	53.95	45.00	54.00	45.25
7	January - 2015	69.75	47.50	69.35	47.00
8	February	69.25	55.75	70.55	55.15
9	March	67.00	49.50	70.00	49.00
10	April	66.40	55.00	66.40	55.00
11	May	61.40	51.00	62.00	53.50
12	June	57.70	50.00	57.95	46.55

❖ **Distribution of shareholding as on 30th June, 2015:**

Slab (No. of Shares)	No. of Shareholders		No. of Shares	
	Total	%	Total	% of Share Capital
1 – 500	9514	76.45	1738421	0.79
501 – 1000	1292	10.38	1086208	0.49
1001 – 2000	670	5.38	1076227	0.49
2001 – 3000	259	2.08	685296	0.31
3001 – 4000	140	1.12	507824	0.23
4001 – 5000	121	0.97	582007	0.26
5001 – 10000	205	1.65	1566123	0.71
10001 – and above	244	1.96	212736894	96.71
Total	12445	100.00	219979000	100.00

❖ **Distribution of Equity Shareholding according to categories of shareholders as on 30th June, 2015**

Category	No. of Shares	Amount (in ₹)	% to total
Promoter Group, Individuals along with Persons Acting in Concert	16,49,45,782	1,64,94,57,820	74.98
Public			
a) Foreign Institutional Investors	10,10,014	1,01,00,140	0.46
b) Non-resident Indians / OCBs	8,65,985	86,59,850	0.39
c) Others	5,31,57,219	53,15,72,190	24.16
Total	21,99,79,000	2,199,790,000	100.00

❖ **Share Transfer System**

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

❖ **Dematerialization of Shares and liquidity**

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

As on 30th June, 2015, 99.32% of the Equity Share Capital, representing 21,84,76,666 shares were held in depository mode.

❖ **Investor Relations:**

All the queries received from shareholders during the year ended 30th June 2015 have been responded. The queries are generally replied to within a maximum of 21 days of their receipt by the Company/RTA depending upon the criticality of issue involved.

❖ **Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit their request to the Company's Share section at its registered office in the prescribed Form SH 13 for this purpose, which can be obtained by writing to the Company Secretary at its registered office address.

❖ **CEO/CFO Certification**

The Chairman and Managing Director/Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Chairman and Managing Director/the Chief Financial officer also give quarterly certification on financial results to the Board in terms of Clause 41 of the Listing Agreement.

❖ **Declaration:**

Pursuant to the provisions of Clause 49 of the Listing Agreement, and according to the information provided/available, this is to confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2014-2015.

For and on behalf of the Board

Place: Mumbai

Date : 28th August, 2015

Ravi Sanghi

Chairman & Managing Director

Annexure II

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

In terms of Section 178 of the Companies Act, 2013 read with the applicable rules thereunder and Clause 49 of the Listing Agreement, 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 reappointment of directors.
- The nominations 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 deems 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 nominations committee plays a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for top management positions such as that of the Manager, Chief Financial Officer and Company Secretary. It provides its advice and recommendations to the Board.

Evaluation of KMP and Senior Management:

- The committee shall annually review and approve for the KMP and Senior Management the corporate goals and objectives applicable to them, evaluate at least annually their performance in light of those goals and objectives, and determine and approve their (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) any other benefits, compensation or arrangements, based on this evaluation.
- The committee may also make recommendations to the Board with respect to incentive compensation plans. The committee may review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.

Duties of Nomination and Remuneration Committee :

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

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

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

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

For and on behalf of the Board

Place : Mumbai

Date : 28th August, 2015

Ravi Sanghi
Chairman & Managing Director

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SANGHI INDUSTRIES LIMITED

Sanghinagar PO, Hayatnagar Mandal,
Ranga Reddy District,
Telangana – 501 511.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sanghi Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on June 30, 2015 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 June 30, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) 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;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 / The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 (Effective from 15th May, 2015);
 3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 (Effective from 28th October, 2014); Not Applicable
 5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;
 7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable; and
 8. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2008; Not Applicable.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
(Not applicable as the same are made effective from July 1, 2015.)

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the fact that the Company is having Registrar and Transfer Agent who provides electronic connectivity with Depositories and physical share transfer related work is being handled by the Company. As on June 30, 2015 the Company is having 99.32% shares of total equity capital are in Demat mode.

We further report that:

On the basis of representations made by the Company and its Officers proper systems and mechanism is formed by the Company for compliances under specific regulations and other Acts, Laws and Regulations as applicable to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure - A**.

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 as required under the provisions of Companies Act, 2013. The changes in the composition of Board took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all the Directors to schedule the Board meetings at least seven days in advance. Agenda and detailed notes on agenda are also given to all the Directors and were sent well in advance, and a system exists for seeking and obtaining further information and clarification 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 through on the basis of majority. There were no dissenting views by any member of Board / Committee in the meetings held during the year under review.

We further report 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 laws, rules, regulations and guidelines.

We further report that:

Company has obtained necessary approval of members to mortgage its properties and to borrow money in excess of paid up share capital and free Reserve of the Company i.e. upto ₹ 5,000 crores (Rupees Five Thousand crores Only) in compliance of the provisions of section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 respectively during the audit period under review.

There were no other instances of:

- a) Public/Right issue of shares/debentures/sweat equity, etc.
- b) Buy-back of securities.
- c) Merger/amalgamation/reconstruction, etc.
- d) Foreign technical collaborations.

Place : Ahmedabad
Date : 25th August, 2015

For Parikh Dave & Associates
Company Secretaries

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

ANNEXURE A

Law specifically applicable to the Company being manufacturer of product – “Cement”:

1. Mineral Conservation and Development Rules, 1988
2. The Mines and Mineral (Development and Regulation) Act, 1957
3. Explosive Rules, 2008
4. Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 1989;
5. Atomic Energy (Radiation Protection) Rules, 2004;
6. The Petroleum Act, 1934
7. Ammonium Nitrate Rules, 2012;
8. Mines Act, 1952;
9. India Boiler Act, 1923 read with Gujarat Boiler Rules, 1967;
10. Bio-Medical Waste (Manufacturing and Handling Rules, 2008);

List of major General laws applicable to the Company:

Copyright Laws:

1. Trade Marks Act 1999 & Copyright Act, 1957

Pollution Control Laws:

1. Acts prescribed under prevention and control of pollution;
2. Acts prescribed under Environmental protection;

Personnel Laws:

1. Employees Provident Fund & Miscellaneous Provisions Act, 1952
2. Shops and Establishment Act
3. Employees State Insurance Act, 1948
4. Payment of Bonus Act, 1965
5. Payment of Gratuity Act, 1972
6. Payment of Wages Act, 1936
7. Minimum Wages Act, 1948
8. Workmen's Compensation Act, 1923
9. Factories Act, 1948;

Taxation Laws:

1. Income Tax Act, 1961
2. Central Sales Tax Act, 1956
3. Customs Act, 1962
4. The Central Excise Act 1944

General Laws:

1. Industries (Development & Regulation) Act, 1951;
2. Acts as prescribed under Shop and Establishment Act of various local authorities.

Sanghi Industries Limited

To,
The Members,
SANGHI INDUSTRIES LIMITED
Sanghinagar PO, Hayatnagar Mandal,
Ranga Reddy District,
Telangana – 501 511.

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

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

Place : Ahmedabad
Date : 25th August, 2015

For Parikh Dave & Associates
Company Secretaries

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

Annexure – IV

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

- Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	N.A
2	Nature of contracts/arrangements/transaction	N.A
3	Duration of the contracts/arrangements/transaction	N.A
4	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
5	Justification for entering into such contracts or arrangements or transactions	N.A
6	Date of approval by the Board	N.A
7	Amount paid as advances, if any	N.A
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

- Details of contracts or arrangements or transactions at Arm's length basis.

(Amount in ₹)

Details						
Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Sanghi Infrastructure Limited	Two of the Directors are common	Rendering of Services	01/07/2014 to 30/06/2015	As mutually agreed between both the parties ₹ 4,04,04,517	Not Applicable	-
Kachchh Steels Private Limited	One of the Director is a Member	Availing Services and Supply of Goods	01/07/2014 to 30/06/2015	As mutually agreed between both the parties ₹ 8,00,55,308	Not Applicable	-

For and on behalf of the Board

Place : Mumbai
Date : 28th August, 2015

Ravi Sanghi
Chairman & Managing Director

Annexure V

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 30th June, 2015:

Sr. No.	Director	Remuneration (₹ in lacs P.A.)	Median Remuneration (₹ in lacs P.A.)	Ratio
1.	Shri Ravi Sanghi	142.60	4.98	29
2.	Shri Aditya Sanghi	100.40	4.98	20
3.	Shri Alok Sanghi	100.40	4.98	20
4.	Smt. Bina Engineer	100.40	4.98	20
5.	Shri N. B. Gohil	49.06	4.98	10

- (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	15.71%
6.	Shri Anil Agrawal	Company Secretary	14%

The Other Directors are Non Executive Directors and are receiving sitting fee of ₹ 4500 (Rupees Four Thousand Five Hundred Only) and incidental expenses of ₹ 3000 (Rupees Three Thousand Only) from the Company for attending each meeting of the Board/Audit Committee/Nomination and Remuneration Committee/Corporate Social Responsibility Committee/Risk Management Committee of Directors and for attending the Independent Directors meeting. There is no increase in said sitting fees during the Financial year 2014-15.

- (iii) The percentage increase in the median remuneration of employees in the financial year : 7.52% (weighted average for the year)
- (iv) The number of permanent employees on the rolls of company : 790 Employees.
- (v) The explanation on the relationship between average increase in remuneration and company performance:

(₹ in crores)

Particular	2014-15	2013-14
Total Income	939.35	1056.51
Earnings before Interest, Depreciation and Taxation (EBIDTA)	164.49	205.37
Earnings before Interest, Depreciation and Taxation (EBIDTA) as % of Total Income	17.51%	19.43%
Profit Before Tax	30.59	43.57
Profit Before Tax as % of Total Income	3.26%	4.12%

Average increase in remuneration of employees is in line with current year's performance and it is a measure to motivate the employees for better future performance to achieve organization growth expectations.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Average increase in remuneration of the Key Managerial Personnel is 0.83% and is based on individual performances, Company's performance and as measure to motivate them for better future performance to achieve organization's growth expectations.

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 30 th June 2015	As at 30 th June 2014	Variation
Closing rate of share at BSE	(In ₹)	53.15	28.10	89.15%
EPS	(In ₹)	1.39	2.25	-38.22%
Market Capitalization	(₹ in crore)	1169.19	618.14	89.15%
Price Earnings ratio	Ratio	38.24	12.49	206.16%

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

The average increase in salaries of employees other than managerial personnel in 2014-15 was 7.52%. Percentage increase in the managerial remuneration for the year was 0.01%.

- (ix) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:**

Performance of the company:

(₹ In crores)

Particular	2014-15	2013-14
Total Income	939.35	1056.51
Profit Before Tax	30.59	43.57
PBT as % of Total Income	3.26%	4.12%

Increase in remuneration of Key Managerial Personnel:

Sr. No.	Key Managerial Personnel	% increase
1.	Shri Ravi Sanghi, Chairman and Managing Director	Nil
2.	Smt. Bina Engineer, Whole Time Director and Chief Financial Officer	Nil
3	Shri Anil Agrawal, Company Secretary	14%

- (x) **The key parameters for any variable component of remuneration availed by the directors;**

The Chairman and Managing Director & Whole Time Directors have not availed any variable remuneration components.

- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

None

- (xii) **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 : Mumbai

Date : 28th August, 2015

Ravi Sanghi
Chairman & Managing Director

ANNEXURE VI

ANNUAL REPORT ON CSR ACITIVITIES

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

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

2. **Composition of CSR Committee.**

Our CSR committee comprises of following members:

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

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

The average net profit is as detailed below:

Particulars	(₹ In crore)
Average net profits for last three financial years	56.51

4. **Prescribed CSR expenditure:**

Prescribed CSR expenditure is as detailed below:

Particulars	(₹ In crore)
Prescribed CSR expenditure (2% of ₹ 56.51 crore)	1.13

5. **Details of CSR spent during the financial year 2014-15.**

Particulars	(₹ In crore)
(a) Total amount spent during the year	1.70
(b) Amount unspent, if any	Nil

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

(Amount in ₹)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: 1) Local Area or other 2) Specify the state and district where the project or program was undertaken	Amount outlay (Budget) project or programs wise (₹)	Amount spent on the projects or programs sub-heads: 1) (Direct Expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
I	Green Belt development	Plantation work and its maintainance surrounding plant area	Sanghipuram , Kutch	11300000	16967380	16967380	direct
	Total			11300000	16967380	16967380	

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

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

For and on behalf of the Board

R. K. Pandey
Chairman – CSR Committee

Ravi Sanghi
Chairman & Managing Director

Place: Mumbai

Date : 28th August, 2015

Annexure - VII

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 30th June, 2015

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

I **REGISTRATION & OTHER DETAILS:**

i	CIN	LI8209TG1985PLC005581
ii	Registration Date	14/06/1985
iii	Name of the Company	Sanghi Industries Limited
iv	Category/Sub-category of the Company	Company Limited by shares / India Non Government Company
v	Address of the Registered office & contact details	Sanghinagar P.O., Hayatnagar Mandal, Ranga Reddy District, Telangana – 501 511, Tel. No. 08415 – 242240, Fax No. 08415- 242239
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. CIL Securities Limited having their office at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001

II **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
I	Ordinary Portland and Portland Pozzolana Cement	2394	95%

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

Sr. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD *	APPLICABLE SECTION
I	Sange Testing Service (Sanghai) Co. Ltd.	N.A.	Subsidiary		2(87)
	Room 2009, 2nd floor, No. 131, Fute North Road, Free Trade Zone. Shanghai. China				

*The Company has incorporated a Wholly owned Subsidiary Company at China during the year under review.

However, the Company has not invested any funds till date in the said subsidiary company.

IV **SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**i) **Category-wise share holding**

Category of Shareholders	No. of Shares held at the beginning of the year(01.07.2014)				No. of Shares held at the end of the year(30.06.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	62352950	1000000	63352950	28.80	81585750	1000000	82585750	37.54	8.74
b) Central Govt.or State Govt.	0	0	0	00.00	0	0	0	00.00	0.00
c) Bodies Corporates	87492832	5400000	92892832	42.23	82360032	0	82360032	37.44	-4.79
d) Bank/FI	0	0	0	00.00	0	0	0	00.00	0.00
e) Any other	0	0	0	00.00	0	0	0	00.00	0.00
SUB TOTAL:(A) (I)	149845782	6400000	156245782	71.03	163945782	1000000	164945782	74.98	3.95
(2) Foreign									
a) NRI- Individuals	0	0	0	00.00	0	0	0	00.00	0.00
b) Other Individuals	0	0	0	00.00	0	0	0	00.00	0.00
c) Bodies Corp.	0	0	0	00.00	0	0	0	00.00	0.00
d) Banks/FI	0	0	0	00.00	0	0	0	00.00	0.00
e) Any other...	0	0	0	00.00	0	0	0	00.00	0.00
SUB TOTAL (A) (2)	0	0	0	00.00	0	0	0	00.00	0.00
Total Shareholding of Promoter (A)= (A)(I)+(A)(2)	149845782	6400000	156245782	71.03	163945782	1000000	164945782	74.98	3.95

Category of Shareholders	No. of Shares held at the beginning of the year(01.07.2014)				No. of Shares held at the end of the year(30.06.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	5800	5800	00.00	12236293	5800	12242093	05.57	5.56
b) Banks/FI	0	3275	3275	00.00	0	3275	3275	00.00	0.00
c) Central govt	0	0	0	00.00	0	0	0	00.00	0.00
d) State Govt.	0	0	0	00.00	0	0	0	00.00	0.00
e) Venture Capital Fund	0	0	0	00.00	0	0	0	00.00	0.00
f) Insurance Companies	0	0	0	00.00	0	0	0	00.00	0.00
g) FIs	2029365	0	2029365	00.92	1010014	0	1010014	00.46	-0.46
h) Foreign Venture Capital Funds	0	0	0	00.00	0	0	0	00.00	0.00
i) Others (specify) FFIs	5669585	0	5669585	02.58	0	0	0	00.00	-2.58
SUB TOTAL (B)(1):	7698950	9075	7708025	3.50	13246307	9075	13255382	6.03	2.53
(2) Non Institutions									
a) Bodies corporates									
i) Indian	45737542	548350	46285892	21.04	28677694	300050	28977744	13.17	-7.87
ii) Overseas	0	0	0	00.00					
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	4099734	43634	4143368	01.88	5946537	45059	5991596	02.72	0.84
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	3903312	587000	4490312	02.04	5858779	0	5858779	02.66	0.62
c) Others (specify)									
NRI	559223	357850	917073	00.42	717835	148150	865985	00.39	-0.02
Clearing Members	158548	0	158548	00.07	83732	0	83732	00.04	-0.03
Trust	30000	0	30000	00.01	0	0	0	00.00	-0.01
SUB TOTAL (B)(2):	54488359	1536834	56025193	25.47	41284577	493259	41777836	18.99	-6.48
Total Public Shareholding (B) = (B)(1) + (B)(2)	62187309	1545909	63733218	28.97	54530884	502334	55033218	25.02	-3.95
C. Shares held by Custodian for GDRs & ADRs	0	0	0	00.00	0	0	0	00.00	0.00
Grand Total (A+B+C)	212033091	7945909	219979000	100.00	218476666	1502334	219979000	100.00	0.00

(ii) **SHARE HOLDING OF PROMOTERS**

SI No.	Shareholders Name	Shareholding at the Beginning of the year (01.07.2014)			Shareholding at the end of the year(30.06.2015)			
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in shareholding during the year
1	Shri Ram Sharan Sanghi	187000	0.09	0.09	187000	0.09	0.09	0.00
2	Shri Anand Prakash Sanghi	187000	0.09	0.09	0	0.00	0.00	-0.09
3	Shri Sudhir Sanghi	187000	0.09	0.09	187000	0.09	0.09	0.00
4	Shri Ravi Sanghi	3012500	1.37	0.54	36062150	16.39	16.39	15.02
5	Shri Gireesh Sanghi	2807900	1.28	0.09	2807900	1.28	0.09	0.00
6	Smt. Kamala Rani Sanghi	140250	0.06	0.06	140250	0.06	0.06	0.00
7	Smt. Anjana Sanghi	140250	0.06	0.06	0	0.00	0.00	-0.06
8	Smt. Usha Sanghi	140250	0.06	0.06	140250	0.06	0.06	0.00
9	Smt. Anita Sanghi	1020200	0.46	0.06	1020200	0.46	0.06	0.00
10	Smt. Alka Sanghi	1074150	0.49	0.06	1074150	0.49	0.06	0.00
11	Ms. Swati Sanghi	343750	0.16	0.16	0	0.00	0.00	-0.16
12	Ms. Pooja Sanghi	343750	0.16	0.16	343750	0.16	0.16	0.00
13	Ms. Ekta Sanghi	343750	0.16	0.16	343750	0.16	0.16	0.00

SI No.	Shareholders Name	Shareholding at the Beginning of the year (01.07.2014)			Shareholding at the end of the year(30.06.2015)			
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	% change in shareholding during the year
14	Ms. Arti Sanghi	343750	0.16	0.16	343750	0.16	0.16	0.00
15	Sri Anand Sanghi HUF	7866250	3.58	3.58	0	0.00	0.00	-3.58
16	Sri Sudhir Sanghi HUF	7866000	3.58	3.58	7866000	3.58	3.58	0.00
17	Sri Ravi Sanghi HUF	7866000	3.58	3.58	7866000	3.58	3.58	0.00
18	Sri Gireesh Sanghi HUF	7866000	3.58	3.58	7866000	3.58	3.58	0.00
19	Mr. Amit Sanghi	5279600	2.40	2.40	0	0.00	0.00	-2.40
20	Mr. Siddharth Sanghi	5279600	2.40	2.40	5279600	2.40	2.40	0.00
21	Mr. Aditya Sanghi	2889500	1.31	1.20	2889500	1.31	1.20	0.00
22	Mr. Alok Sanghi	2889500	1.31	1.20	2889500	1.31	1.20	0.00
23	Mr. Ashish Sanghi	2639500	1.20	1.20	2639500	1.20	1.20	0.00
24	Mr. Gaurav Sanghi	2639500	1.20	1.20	2639500	1.20	1.20	0.00
25	Sanghi Polyesters Limited	5412800	2.46	1.10	0	0.000	0.00	-2.46
26	Sanghi Textiles Private Limited	5870000	2.67	2.67	0	0.000	0.00	-2.67
27	SZF Private Limited	9284000	4.22	3.13	6884000	3.13	3.13	-1.09
28	Sanghi Threads Private Limited	2354000	1.07	0.80	1754000	0.80	0.80	-0.27
29	Sanghi Filaments Private Limited	3037500	1.38	1.04	2287500	1.04	1.04	-0.34
30	Sanghi Poly Zips Private Limited	2082500	0.95	0.67	1482500	0.67	0.67	-0.27
31	Sanghi Synthetics Private Limited	2275000	1.03	0.76	1675000	0.76	0.76	-0.27
32	Alpha Zippers Private Limited	2275000	1.03	0.76	1675000	0.76	0.76	-0.27
33	Fancy Zippers Private Limited	2068750	0.94	0.67	1468750	0.67	0.67	-0.27
34	Balaji Zippers Private Limited	3375000	1.53	1.26	2775000	1.26	1.26	-0.27
35	SKK Zippers Private Limited	4175000	1.90	1.63	3575000	1.63	1.63	-0.27
36	Maruti Fastners Private Limited	2068750	0.94	0.67	1468750	0.67	0.67	-0.27
37	Sanghi Polymers Private Limited	4700000	2.14	1.36	4700000	2.14	1.36	0.00
38	Samruddhi Investors Services Pvt.Ltd.	43914532	19.96	8.47	52614532	23.92	3.47	3.95
Total:		156245782	71.03	50.71	164945782	74.98	51.52	3.95

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

SI No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Shri Anand Prakash Sanghi				
	At the beginning of the year	187000	0.09	187000	0.09
	Decrease in Shareholding				
	Transfer	187000	0.09	0	0.00
At the end of the year		0	0	0	0.00
2	Shri Ravi Sanghi				
	At the beginning of the year	3012500	1.37	3012500	1.37

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
	Increase in Shareholding				
	Transfer	33049650	15.02	36062150	16.39
	At the end of the year	36062150	16.39	36062150	16.39
3	Smt. Anjana Sanghi				
	At the beginning of the year	140250	0.06	140250	0.06
	Decrease in Shareholding				
	Transfer	140250	0.06	0	0.00
	At the end of the year	0	0	0	0.00
4	Ms Swati Sanghi				
	At the beginning of the year	343750	0.16	343750	0.16
	Decrease in Shareholding				
	Transfer	343750	0.16	0	0.00
	At the end of the year	0	0	0	0.00
5	Shri Anand Prakash Sanghi HUF				
	At the beginning of the year	7866250	3.58	7866250	3.58
	Decrease in Shareholding				
	Transfer	7866250	3.58	0	0.00
	At the end of the year	0	0	0	0.00
6	Mr. Amit Sanghi				
	At the beginning of the year	5279600	2.40	5279600	2.40
	Decrease in Shareholding				
	Transfer	5279600	2.40	0	0.00
	At the end of the year	0	0	0	0.00
7	Sanghi Polyesters Limited				
	At the beginning of the year	5412800	2.46	5412800	2.46
	Decrease in Shareholding				
	Transfer	5412800	2.46	0	0.00
	At the end of the year	0	0	0	0.00
8	Sanghi Textiles Private Limited				
	At the beginning of the year	5870000	2.67	5870000	2.67
	Decrease in Shareholding				
	Transfer	5870000	2.67	0	0.00
	At the end of the year	0	0	0	0.00
9	SZF Private Limited				
	At the beginning of the year	9284000	4.22	9284000	4.22
	Decrease in Shareholding				
	Transfer	2400000	1.09	6884000	3.13
	At the end of the year	6884000	3.13	6884000	3.13
10	Sanghi Threads Private Limited				
	At the beginning of the year	2354000	1.07	2354000	1.07
	Decrease in Shareholding				
	Transfer	600000	0.27	1754000	0.80
	At the end of the year	1754000	0.80	1754000	0.80

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
11	Sanghi Filaments Private Limited				
	At the beginning of the year	3037500	1.38	3037500	1.38
	Decrease in Shareholding				
	Transfer	750000	0.34	2287500	1.04
	At the end of the year	2287500	1.04	2287500	1.04
12	Sanghi Poly Zips Private Limited				
	At the beginning of the year	2082500	0.95	2082500	0.95
	Decrease in Shareholding				
	Transfer	600000	0.27	1482500	0.67
	At the end of the year	1482500	0.67	1482500	0.67
13	Sanghi Synthetics Private Limited				
	At the beginning of the year	2275000	1.03	2275000	1.03
	Decrease in Shareholding				
	Transfer	600000	0.27	1675000	0.76
	At the end of the year	1675000	0.76	1675000	0.76
14	Alpha Zippers Private Limited				
	At the beginning of the year	2275000	1.03	2275000	1.03
	Decrease in Shareholding				
	Transfer	600000	0.27	1675000	0.76
	At the end of the year	1675000	0.76	1675000	0.76
15	Fancy Zippers Private Limited				
	At the beginning of the year	2068750	0.94	2068750	0.94
	Decrease in Shareholding				
	Transfer	600000	0.27	1468750	0.67
	At the end of the year	1468750	0.67	1468750	0.67
16	Balaji Zippers Private Limited				
	At the beginning of the year	3375000	1.53	3375000	1.53
	Decrease in Shareholding				
	Transfer	600000	0.27	2775000	1.26
	At the end of the year	2775000	1.26	2775000	1.26
17	SKK Zippers Private Limited				
	At the beginning of the year	4175000	1.90	4175000	1.90
	Decrease in Shareholding				
	Transfer	600000	0.27	3575000	1.63
	At the end of the year	3575000	1.63	3575000	1.63
18	Maruti Fastners Private Limited				
	At the beginning of the year	2068750	0.94	2068750	0.94
	Decrease in Shareholding				
	Transfer	600000	0.27	1468750	0.67
	At the end of the year	1468750	0.67	1468750	0.67
19	Samruddhi Investors Services Private Limited				
	At the beginning of the year	43914532	19.96	43914532	19.96
	Increase in Shareholding				
	Purchase	8700000	3.95	52614532	23.92
	At the end of the year	52614532	23.92	52614532	23.92

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Balaji Voyage Private Limited	5735803	2.61	8276415	3.76
2	Shreenathji Voyage Private Limited	7024574	3.19	6994587	3.18
3	Navdurga Voyage Pvt. Ltd.	0	0.00	5171787	2.35
4	Reliance Capital Trustee Co. Ltd - A/c Reliance Mid & Small Cap Fund	0	0.00	4265642	1.94
5	Aavishkar Investors Services Private Limited	8136153	3.70	3574099	1.62
6	Reliance Capital Trustee Co. Ltd - A/c Reliance Small Cap Fund	0	0.00	2111104	0.96
7	KMS Construction Pvt. Ltd.	2102175	0.96	2057973	0.94
8	Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Midcap Fund	0	0.00	1614237	0.73
9	IMSF (Mauritius) Limited	0	0.00	1000000	0.45
10	Canara Robeco Mutual Fund A/c Canara Robeco Emerging Equities	0	0.00	836102	0.38

(v) Shareholding of Directors and Key Managerial Personnel :

1	Sri Ravi Sanghi, Chairman and Managing Director				
	At the beginning of the year	3012500	1.37	3012500	1.37
	Increase in Shareholding				
	Transfer	33049650	15.02	36062150	16.39
	At the end of the year	36062150	16.39	36062150	16.39
2	Mr. Gireesh Sanghi, Director				
	At the beginning of the year	2807900	1.28	2807900	1.28
	Decrease / Increase in shareholding	0	0	0	0.00
	At the end of the year	2807900	1.28	2807900	1.28
3	Mr. Aditya Sanghi, Whole Time Director				
	At the beginning of the year	2889500	1.31	2889500	1.31
	Decrease / Increase in shareholding	0	0	0	0.00
	At the end of the year	2889500	1.31	2889500	1.31
4	Mr. Alok Sanghi, Whole Time Director				
	At the beginning of the year	2889500	1.31	2889500	1.31
	Decrease / Increase in shareholding	0	0	0	0.00
	At the end of the year	2889500	1.31	2889500	1.31
5	Smt. Bina Engineer, Whole Time Director & CFO				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
6	Shri N. B. Gohi, Whole Time Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
7	Shri Sadashiv Sawarikar, Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0

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8	Shri T. M. Jagan Mohan, Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
9	Shri D. K. Kambale, Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
10	Shri D. B. N. Rao, Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
11	Shri R. K. Pandey, Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
12	Shri Naresh Gwalani, Director				
	At the beginning of the year	0	0	0	0
	Decrease / Increase in shareholding	0	0	0	0
	At the end of the year	0	0	0	0
13	Shri Anil Agrawal, Company Secretary				
	At the beginning of the year	100	0.00	100	0.00
	Decrease / Increase in shareholding	0	0	0	0.00
	At the end of the year	100	0.00	100	0.00

V INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	5,33,61,01,608	-	-	5,33,61,01,608
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35,98,751	-	-	35,98,751
Total (i + ii + iii)	5,33,97,00,359	-	-	5,33,97,00,359
Change in Indebtedness during the financial year				
Additions	98,69,95,525	-	-	98,69,95,525
Reduction	1,92,95,92,341	-	-	1,92,95,92,341
Net Change	(94,25,96,816)	-	-	(94,25,96,816)
Indebtedness at the end of the financial year				
i) Principal Amount	4,39,71,03,543	-	-	4,39,71,03,543
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39,62,690	-	-	39,62,690
Total (i + ii + iii)	4,40,10,66,233	-	-	4,40,10,66,233

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/WT/Manager					Total Amount
		Shri Ravi Sanghi, Chairman and Managing Director	Shri Aditya Sanghi, Whole Time Director	Shri Alok Sanghi, Whole Time Director	Smt. Bina Engineer, Whole Time Director & CFO	Shri N. B. Gohil, Whole Time Director	
1	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961	1,42,20,200	1,00,00,000	1,00,00,000	1,00,00,000	48,66,667	4,90,86,867
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39,600	39,600	39,600	39,600	1,98,000
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	as % of profit	-	-	-	-	-	-
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	1,42,59,800	1,00,39,600	1,00,39,600	1,00,39,600	49,06,267	4,92,84,867
	Ceiling as per the Act	1,43,61,460	1,43,61,460	1,43,61,460	1,43,61,460	1,43,61,460	7,18,07,300

B. Remuneration to other directors:

(in ₹)

Sl. No	Particulars of Remuneration	Name of the Directors								Total Amount
		Shri D. K. Kambale	Shri D. B. N. Rao	Shri Gireesh Sanghi	Shri Sadashiv Sawarikar	Shri T. M. Jagan Mohan	Shri R. K. Pandey	Shri C. S. V. Rao	Shri Naresh Gwalani	
1	Non Executive Directors									
(a)	Fee for attending board committee meetings	27000	22500	4500	49500	45000	49500	4500	4500	207000
(b)	Commission	-	-	-	-	-	-	-	-	-
(c)	Others - Incidental Expenses	18000	15000	3000	33000	30000	33000	3000	3000	138000
	Total	45000	37500	7500	82500	75000	82500	7500	7500	345000
	Total Managerial Remuneration									49629867
	Overall Ceiling as per the Act.									71807300

C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT/

(in ₹)

Sl. No.	Particulars of Remuneration	Shri Anil Agrawal, Company Secretary	Total
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	18,00,300	18,00,300
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify	-	-
5	Others, please specify	-	-
	Total	18,00,300	18,00,300

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board,

Date: 28th August, 2015
Place: Mumbai

Ravi Sanghi
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Sanghi Industries Limited

We have examined the compliance of conditions of Corporate Governance by Sanghi Industries Limited for the year ended on 30th June, 2015 as stipulated in clause 49 of the Listing Agreement executed by the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

S. Brijkumar
Partner
Membership No. 19357

Mumbai: August 28, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Sanghi Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sanghi Industries Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with

the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on June 30, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 on Contingent Liabilities to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

S. Brijkumar
Partner
Membership No. 19357

Atul Gala
Partner
Membership No. 048650

Mumbai: August 28, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Sanghi Industries Limited on the financial statements for the year ended June 30, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed thereunder and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) Undisputed Statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty and cess have generally been deposited with the appropriate authorities, though there have been some delays.

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

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Cr.)	Amount Depos- ited in protest (₹ in Cr.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	75.14	43.46	Various years	Customs, Excise & Service tax Appellate Tribunal
Service Tax Act	CENVAT Credit	29.40	1.51	Various years	=
Service Tax Act	Interest and Penalty	0.05	-	Various years	Customs, Excise & Service tax Appellate Tribunal
Customs Act, 1962	Customs Duty	12.41	6.21	2005-10	Customs, Excise & Service tax Appellate Tribunal
Sales Tax	Sales Tax	1.76	1.76	Various years	Joint Commissioner Appeal, Rajkot

Name of the statute	Nature of dues	Amount (₹ in Cr.)	Amount Depos- ited in protest (₹ in Cr.)	Period to which the amount relates	Forum where dispute is pending
Bombay Land Revenue Code, 1879	Land Revenue on Leasehold Land	1.17	-	Various years	Gujarat High Court
The Income Tax Act, 1961	Tax	0.99	-	2006-07	CIT (A)

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks/financial institutions, except for delay in some cases. The Company does not have any dues to debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

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

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

S. Brijkumar
Partner
Membership No. 19357

Atul Gala
Partner
Membership No. 048650

Mumbai: August 28, 2015

BALANCE SHEET AS AT JUNE 30, 2015

(₹ in crore)

Particulars	Note No.	As at June 30, 2015	As at June 30, 2014
I. EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	2	262.64	289.52
(b) Reserves and surplus	3	690.88	669.54
2 Non-current liabilities			
(a) Long-term borrowings	4	282.29	433.37
(b) Long-term Liabilities	5	21.89	18.67
(c) Long-term Provisions	6	37.96	27.63
3 Current liabilities			
(a) Short-term borrowings	7	52.75	47.49
(b) Trade Payables	8	165.44	76.37
(c) Other current liabilities	9	245.67	193.90
(d) Short-term provisions	10	0.50	0.27
TOTAL		1,760.02	1,756.76
II. ASSETS			
Non-current assets			
I (a) Fixed assets			
(i) Tangible assets	11	1,238.04	1,265.56
(ii) Tangible work-in-progress	11	56.34	59.30
(b) Deferred tax assets (net)	26	58.52	53.97
2 Current assets			
(a) Inventories	12	167.13	147.79
(b) Trade receivables	13	14.54	12.51
(c) Cash and cash equivalents	14	5.53	33.95
(d) Short-term loans and advances	15	219.92	183.68
TOTAL		1,760.02	1,756.76

As per our Report of even date

For **Ankit & Co.,**
Chartered Accountants
FRN No. 000181S

S. Brij Kumar
Partner
M.No. 19357

For **Haribhakti & Co. LLP,**
Chartered Accountants
FRN No. 103523W

Atul Gala
Partner
M.No. 048650

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
D. K. Kambale	-	Director
Sadashiv Sawrikar	-	Director
D. B. N. Rao	-	Director
Naresh J. Gwalani	-	Director
R. K. Pandey	-	Director
T. M. Jagan Mohan	-	Director

Anil Agrawal - Company Secretary

Place : Mumbai
Date : August 28, 2015

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2015

₹ in crore

Particulars		Note No.	For the year ended June 30, 2015	For the year ended June 30, 2014
	Sale of products		1,033.06	1,143.65
	Less:			
	Excise duty		102.10	97.73
	Other operating Income		1.29	2.34
I.	Revenue from operations		932.25	1,048.26
II.	Other income	16	7.10	8.25
III.	Total Revenue (I + II)		939.35	1,056.51
IV.	Expenses:			
	Raw Material consumed	17	54.10	47.71
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	(16.31)	48.48
	Employee benefits expense	19	46.46	45.07
	Power and fuel		246.56	260.88
	Freight forwarding and other selling expenses	20	327.49	322.98
	Other expenses	21	116.56	126.02
	Finance Cost	22	27.47	14.05
	Depreciation	11	106.43	147.75
	Total expenses		908.76	1,012.94
V.	Profit before tax (III- IV)		30.59	43.57
VI	Tax expense:			
	(1) Current Tax		-	-
	(2) Excess tax provision reversal related to earlier years		-	(6.01)
	(3) Mat Credit entitlement		-	-
	(4) Deferred Tax	25	-	-
VII	Profit (Loss) for the year		30.59	49.58
VIII	Balance Carried to Balance Sheet		30.59	49.58
IX	Earnings per equity share:			
	Basic and Diluted	24	1.39	2.25

As per our Report of even date

For **Ankit & Co.,**
Chartered Accountants
FRN No. 0001815

S. Brij Kumar
Partner
M.No. 19357

For **Haribhakti & Co. LLP,**
Chartered Accountants
FRN No. 103523W

Atul Gala
Partner
M.No. 048650

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
D. K. Kambale	-	Director
Sadashiv Sawrikar	-	Director
D. B. N. Rao	-	Director
Naresh J. Gwalani	-	Director
R. K. Pandey	-	Director
T. M. Jagan Mohan	-	Director

Anil Agrawal - Company Secretary

Place : Mumbai
Date : August 28, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

(₹ in crore)

	30.06.2015	30.06.2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	30.59	43.57
Adjustments for:		
Depreciation and amortisation	106.43	147.74
Loss on sale of Fixed Assets	0.13	0.08
Interest Income	(1.09)	(0.82)
Foreign Exchange (gain)/loss	(1.71)	-
Interest and other Financial Charges	27.47	14.05
Operating Profit before Working Capital Changes	161.82	204.62
Adjustments for:		
(Increase)/Decrease in Inventories	(19.34)	63.46
(Increase)/Decrease in Debtors	(2.04)	12.54
(Increase)/Decrease in Other Current Assets and Loans and Advances	(35.77)	(52.95)
Increase/(Decrease) in Trade Creditors	89.07	30.01
Increase/(Decrease) in Other Current Liabilities and Provisions	3.77	(46.01)
Cash from operating activities	197.51	211.67
Income Taxes paid	(0.58)	(1.21)
Net Cash from operating activities	196.93	210.46
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Additions of Fixed Assets	(74.52)	(44.30)
Sale of Fixed Assets	0.23	0.15
Fixed Deposit with Banks	28.54	-
Interest Received	1.25	0.61
Net Cash used in investing activities	(44.50)	(43.54)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Movement in Working Capital Borrowing	5.26	9.21
Long term borrowings	89.35	5.98
Repayment of long term borrowings	(192.60)	(154.17)
Interest and other Financial Charges	(27.44)	(21.61)
Payment towards OCCPPS	(26.88)	(6.69)
Net Cash used in Financing activities	(152.31)	(167.28)

Sanghi Industries Limited

(₹ in crore)

	30.06.2015	30.06.2014
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	0.12	(0.36)
Cash and Cash equivalents (Opening Balance)	0.18	0.54
Cash and Cash equivalents (Closing Balance)	0.30	0.18
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	0.14	0.14
Bank Balances	0.16	0.04
Cash and Cash Equivalents as above	0.30	0.18
Fixed Deposits with original maturity of more than 3 Months	5.23	33.77
Cash and Cash Equivalents as per Note No.14	5.53	33.95

As per our Report of even date

For **Ankit & Co.,**
Chartered Accountants
FRN No. 000181S

S. Brij Kumar
Partner
M.No. 19357

For **Haribhakti & Co. LLP,**
Chartered Accountants
FRN No. 103523W

Atul Gala
Partner
M.No. 048650

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
D. K. Kambale	-	Director
Sadashiv Sawrikar	-	Director
D. B. N. Rao	-	Director
Naresh J. Gwalani	-	Director
R. K. Pandey	-	Director
T. M. Jagan Mohan	-	Director

Anil Agrawal - Company Secretary

Place : Mumbai
Date : August 28, 2015

Sanghi Industries Limited

Note: I (a) : ABOUT THE COMPANY

Sanghi Industries Limited was incorporated in 1985 and is engaged in the manufacturing and marketing of cement and cement products in domestic and export market. The Company's manufacturing facilities are at Sanghipuram, Gujarat. Equity shares of the Company are listed on The National Stock Exchange and Bombay Stock Exchange.

Note: I (b) : SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with generally accepted accounting principles in India. These financial statements comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year.

2. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.
3. Significant Accounting Policies adopted in preparation of financial statements are consistent with those of previous years, unless otherwise stated, and are as under:-

a) Fixed Assets & Depreciation / Amortisation :

Fixed Assets (Tangible or Intangible) are stated at cost of acquisition or construction and all costs, relating to the acquisition and installation of fixed assets are capitalized upto the date the asset is put to use.

Depreciation on Fixed assets is provided on straight line method as per useful life provided in Schedule II of the Companies Act, 2013 except where the useful life is different as certified by technical valuer. Cement manufacturing plant is considered as continuous process plant. Expenditure on Power Transmission Lines is depreciated over the period of useful life of Thermal Power Plant.

b) Foreign Currency Transactions :

Foreign Currency transactions are initially recognized at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into rupees at exchange rate prevailing on the date of Balance Sheet. All exchange differences are dealt with in the Statement of Profit & Loss except in case of long term liabilities where they relate to acquisition of fixed assets, in which case, they are adjusted to carrying cost of such assets as per MCA notification dated December 29, 2011, Para 46A, GSR_914 for accounting period starting from 01.04.2011.

c) Inventory and its valuation:

- i Finished and semi-finished goods are valued at lower of cost and net realizable value.
- ii Raw Materials, Consumables, Stores, Packing Material and Work-in-Progress are valued at lower of cost and net realizable value. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- iii Cost is determined on a weighted average basis.

d) Employee Benefits :

- i Defined Benefit Plans: Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet.
- ii Other long Term Benefits: Long Term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.
- iii Actuarial gain/losses, if any, are immediately recognized in the Statement of Profit and Loss.
- iv Defined Contribution Plans: Contributions payable to the recognized Provident Fund which are defined contribution schemes are charged to the statement of profit and loss.

Sanghi Industries Limited

e) **Borrowing Cost :**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

f) **Revenue Recognition :**

- i) Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers and export sales are accounted on the basis of date of Bill of Lading. Revenue from operations includes sale of goods and services, excise duty and adjustment for discounts and exclusive of VAT/CST.
- ii) Export Incentives and insurance claims are recognized when the right to receive materializes and there is no significant uncertainty regarding realization of the claims.
- iii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

g) **Provisions, Contingent Liabilities and Contingent Assets :**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. A provision is derecognized when the enterprise has ascertained, based on sufficient documentary evidence, that the present obligation does not require an outflow of resources to settle that obligation. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date and adjusted to reflect the current management estimates.

No provision is recognized for any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and not wholly within the control of the Company; or any present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

h) **Taxation :**

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognized, only to the extent there is a reasonable certainty of its realization. Deferred tax assets are reviewed at each Balance Sheet date to reassess realization.

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.

i) **Impairment of Fixed Assets :**

- i The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

j) **Earning per Share :**

The Company reports basic and diluted Earnings Per Share in accordance with Accounting Standard 20 on 'Earnings Per Share'. Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of equity

Sanghi Industries Limited

shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

k) Segment Reporting :

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The Company is engaged mainly in the business of manufacturing of cement. This, in the context of Accounting Standard 17 on Segment Reporting are considered to constitute a single primary segment. Further, the sales of the Company are made primarily in a domestic market and a small proportion is exported. The geographical segments identified on this basis have been reported as the secondary segment.

l) Investment

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value computed separately in respect of each category of investment.

m) Leases :

Where the Company is the lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating Lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor:

- i. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.
- ii. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

n) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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Note 2 Share Capital

Share Capital	As at June 30, 2015		As at June 30, 2014	
	Number	(₹ in crore)	Number	(₹ in crore)
Authorised				
Equity Shares of ₹ 10/- each	275,000,000	275.00	275,000,000	275.00
Preference shares of ₹ 100/- each	27,500,000	275.00	27,500,000	275.00
Total	302,500,000	550.00	302,500,000	550.00
Issued				
Equity Shares of ₹ 10/- each Fully Paid Up	219,979,000	219.98	219,979,000	219.98
Redeemable preference shares of face value ₹ 100/- each	8,484,230	84.84	8,484,230	84.84
Total	228,463,230	304.82	228,463,230	304.82
Subscribed & Paid up				
Equity Shares of ₹ 10/- each Fully Paid Up	219,979,000	219.98	219,979,000	219.98
Redeemable preference shares of face value ₹ 100/- each, balance paid up ₹ 50.28 (previous year paid up to ₹ 81.96)	8,484,230	42.66	8,484,230	69.54
Total	228,463,230	262.64	228,463,230	289.52

a. Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Terms of redemption of Redeemable Preference Shares

Preference Shares are redeemable in stepped up quarterly instalments from June 2011 to June 2018.

c. Details of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back during immediately preceding five years. - NIL

d. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	For the FY 2014-15		For the FY 2013-14	
	Number	(₹ in crores)	Number	(₹ in crores)
Shares outstanding at the beginning of the year	219,979,000	219.98	219,979,000	219.98
Shares Issued during the year	-	-	-	-
Shares repaid during the year	-	-	-	-
Shares outstanding at the end of the year	219,979,000	219.98	219,979,000	219.98

Reconciliation of preference shares outstanding at the beginning and at the end of the year

Particulars	For the FY 2014-15		For the FY 2013-14	
	Number	(₹ in crores)	Number	(₹ in crores)
Shares outstanding at the beginning of the year	8,484,230	69.54	8,484,230	76.23
Shares Issued during the year	-	-	-	-
Redeemed during the year	-	26.88	-	6.69
Shares outstanding at the end of the year	8,484,230	42.66	8,484,230	69.54

e. Details of shareholders holding more than 5 % of the share capital

Name of Shareholder	As at June 30, 2015		As at June 30, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares				
Samruddhi Investors Services Private Limited	52,614,532	24%	43,914,532	20%
Ravi Sanghi	36,062,150	16%	3,012,500	1%
Preference shares				
Sangam Investors Services Pvt Ltd	5,408,140	64%	5,408,140	64%
IDBI Bank Limited	2,700,000	32%	2,700,000	32%

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Note 3 Reserves and Surplus

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
a. Securities Premium Account		
Opening Balance	49.82	49.82
Less : Premium Utilised for various reasons	-	-
Closing Balance	49.82	49.82
b. Capital Redemption Reserve		
Opening Balance	15.30	8.61
Add : Transfer from Surplus	26.88	6.69
Closing Balance	42.18	15.30
c. Surplus		
Opening balance	604.42	561.53
(+) Net Profit/(Net Loss) for the current year	30.59	49.58
(-) Carrying value of assets where useful life is NIL as on 01.07.2014 (after considering residual value) (Net of deferred tax of ₹ 4.55 Cr.)	9.25	-
(-) Capital Redemption Reserve	26.88	6.69
Closing Balance	598.88	604.42
Total	690.88	669.54

Note 4 Long-term Borrowings

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Secured Term loans		
From Banks	108.70	109.92
from Others	173.59	323.45
Total	282.29	433.37

As at June 30, 2015

Terms of Borrowing from Banks		(₹ in crore)	
Security	Repayment Terms	Amount payable in next 12 months	Amount payable after 12 months
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	28 quarterly installments starting from June 30, 2011	28.27	55.73
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	28 quarterly installments starting from June 30, 2011	4.68	9.31
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	48 equated monthly installments starting from June 2, 2013	3.47	3.18
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	47 equated monthly installments starting from June 30, 2013	2.71	2.57
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	45 monthly installments starting from April 25, 2015	15.16	37.91
Total		54.29	108.70

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Average rate of borrowing in loans from banks is 7.66%.

Terms of Borrowing from others

(₹ in crore)

Security	Repayment Terms	Amount payable in next 12 months	Amount payable after 12 months
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	28 Stepped up quarterly installments starting from December 31, 2012	-	4.05
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	81 equated monthly installments starting from October 15, 2012	-	4.86
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	46 monthly installments starting from May 16, 2012	57.74	-
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	48 equated monthly installments starting from April, 2015	20.68	87.11
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	Under finalisation	-	46.65
Hypothecation of cars and some of the movable equipments	Equated Monthly Instalments	24.72	30.92
Total		103.14	173.59

Average rate of borrowing in loans from others is 2.62%.

As at June 30, 2014

Terms of Borrowing from Banks

(₹ in crore)

Security	Repayment Terms	Amount payable in next 12 months	Amount payable after 12 months
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	28 quarterly installments starting from June 30, 2011	15.08	84.00
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	28 quarterly installments starting from June 30, 2011	4.68	13.99
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	48 equated monthly installments starting from June 2, 2013	3.47	6.65
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	47 equated monthly installments starting from June 30, 2013	2.36	5.28
Total		25.59	109.92

Average rate of borrowing in loans from banks is 0.67%.

Terms of Borrowing from others

(₹ in crore)

Security	Repayment Terms	Amount payable in next 12 months	Amount payable after 12 months
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	28 Stepped up quarterly installments starting from December 31, 2012	-	4.05
Paripassu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	81 equated monthly installments starting from October 15, 2012	-	4.86

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Terms of Borrowing from others

(₹ in crore)

Security	Repayment Terms	Amount payable in next 12 months	Amount payable after 12 months
Paripasu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	46 monthly installments starting from May 16, 2012	55.64	44.05
Paripasu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	Under finalisation	-	197.09
Paripasu Charge on some of the Fixed Assets and personal guarantee by some of the directors and others	Under finalisation	-	46.65
Hypothecation of cars and some of the movable equipments	Equated Monthly Instalments	19.02	26.75
Total		74.66	323.45

Average rate of borrowing in loans from others is 1.23%.

Note 5 Long-term Liabilities

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Security Deposits from Customers and Transporters	21.89	18.67
Total	21.89	18.67

Note 6 Long-term Provisions

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Provision for Employee Benefits		
Gratuity	3.79	3.38
Leave Encashment	1.47	2.17
Other Provisions		
Provision for mines restoration	0.14	-
Provision for Electricity Duty	32.56	22.08
Total	37.96	27.63

Note 6.1 Movement of provisions during the year as required by Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets"

Particulars	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Provision for Mines Restoration Expenses		
Opening Balance	-	-
Add: Provision during the year	0.14	-
Less: Utilisation during the year	-	-
Closing Balance	0.14	-
Provision for Electricity Duty		
Opening Balance	22.08	11.50
Add: Provision during the year	10.47	11.73
Less: paid during the year	-	1.14
Closing Balance	32.56	22.08

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Note 7 Short-term Borrowings

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Secured		
Loans repayable on demand		
Working Capital loans from banks	52.75	47.49
Secured against hypothecation of current assets of the Company, 2nd charge on some of the fixed assets of the Company and guaranteed by some of the directors of the Company and pledge of shares of promoters. Rate of Interest is 3.40% over base rate.		
Total	52.75	47.49

Note 8 Trade Payable

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Due to Micro and Small Enterprises	0.04	0.13
Due to Others	165.40	76.24
Total	165.44	76.37

There is no principal amount and interest overdue to Micro and Small Enterprises. During the year no interest has been paid to such parties (Previous year ₹0.004 Cr.). This information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

Note 9 Other Current Liabilities

	As at June 30, 2015 (₹ in crore)		As at June 30, 2014 (₹ in crore)	
(a) Current maturities of Long Term borrowings		157.43		100.25
(b) Interest accrued but not due on borrowings		0.40		0.36
(c) Advance received from Customers		9.06		18.48
(d) Payable for capital goods		17.82		13.26
(e) Other payables includes		60.96		61.55
Provision for Expenses	28.78		21.48	
Salary payable	3.31		3.04	
Other Employee Related liabilities	2.99		1.91	
Statutory dues	22.16		31.31	
Other Payables	3.72		3.81	
Total		245.67		193.90

Note 10 Short-term Provisions

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Provision for employee benefits		
Gratuity	0.30	0.12
Leave Encashment	0.20	0.15
Total	0.50	0.27

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Note 11 FIXED ASSETS

Particulars	GROSS BLOCK			As on 30.06.2015	DEPRECIATION			NET BLOCK			
	As on 01.07.2014	Additions during the year	Deductions / Adjust- ments dur- ing the year		As on 01.07.2014	For the year	Deductions / Adjust- ment dur- ing the year	Other ad- justment	As on 30.06.2015	W.D.V. as on 30.06.2015	W.D.V. as on 30.06.2014
Owned Assets											
Freehold land	4.25	-	-	4.25	-	-	-	-	-	4.25	4.25
Building	141.57	13.74	-	155.31	27.08	9.27	-	2.35	38.70	116.61	114.49
Plant and Machinery *	1,867.28	69.75	-	1,937.03	798.65	86.77	-	1.65	887.07	1,049.96	1,068.63
Electrical Installations	113.32	-	-	113.32	60.68	6.28	-	-	66.96	46.36	52.64
Furniture and Fixtures	8.00	0.09	-	8.10	3.22	1.09	-	0.40	4.71	3.39	4.78
Office Equipment	2.87	0.08	-	2.95	0.91	0.22	-	1.15	2.28	0.67	1.96
Vehicles	13.21	6.14	0.67	18.68	5.94	2.02	0.32	0.04	7.68	11.00	7.27
Laboratory Equipment	0.90	1.10	-	2.00	0.11	0.19	-	0.01	0.31	1.69	0.79
Computers	5.39	2.16	-	7.55	4.81	0.59	-	0.21	5.61	1.94	0.58
Sub Total	2,156.79	93.07	0.67	2,249.19	901.40	106.43	0.32	5.81	1,013.32	1,235.87	1,255.39
Assets Given on lease											
Land	0.27	-	-	0.27	-	-	-	-	-	0.27	0.27
Building	9.68	-	-	9.68	3.53	-	-	5.66	9.19	0.48	6.15
Plant and Machinery	19.32	-	-	19.32	18.02	-	-	0.34	18.36	0.96	1.31
Electrical Installations	6.71	-	-	6.71	4.87	-	-	1.50	6.37	0.34	1.84
Furniture and Fixtures	0.31	-	-	0.31	0.16	-	-	0.14	0.30	0.01	0.15
Office Equipment	0.28	-	-	0.28	0.13	-	-	0.13	0.26	0.02	0.15
Vehicles	1.04	-	-	1.04	0.85	-	-	0.15	1.00	0.04	0.19
Fire Fighting Equipments	0.10	-	-	0.10	0.09	-	-	0.01	0.10	-	0.01
Laboratory Equipment	0.11	-	-	0.11	0.06	-	-	0.05	0.11	-	0.05
Temple	0.03	-	-	0.03	-	-	-	-	-	0.03	0.03
Computers	0.24	-	-	0.24	0.21	-	-	0.01	0.22	0.02	0.03
Sub Total	38.09	-	-	38.09	27.92	-	-	7.99	35.92	2.17	10.17
Total	2,194.88	93.07	0.67	2,287.28	929.32	106.43	0.32	13.80	1,049.24	1,238.04	1,265.56
Previous Year Figures	2,163.23	32.06	0.41	2,194.88	781.75	147.75	0.18	-	929.32	1,265.56	1,381.48
Tangible work in progress										56.34	59.30

* Depreciation on certain Mining ancillary and other Misc. assets has been provided at rate higher than those prescribed under Schedule II of the Companies Act, 2013 based on useful life of three years as evaluated by Technical Expert. Plant & Machinery Includes cost incurred by the Company for ₹ 10.66 crore, ownership of which vests with GETCO.

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Note 12 Inventories

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
a. Raw Materials and components	0.57	1.59
b. Fuel Stock	21.37	31.60
c. Work-in-progress	0.40	0.21
d. Finished goods	43.74	27.63
e. Stores and spares (including packing material of ₹ 2.22 Cr, PY ₹ 2.54 Cr.)	101.05	86.76
Total	167.13	147.79

(Inventories are valued at lower of Cost or net realisable value.)

Note 13 Trade Receivables

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Unsecured, considered good		
Trade receivables outstanding for a period less than six months from the date they are due for payment	14.54	12.51
Total	14.54	12.51

Note 14 Cash and cash equivalents

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
a. Cash on hand	0.14	0.14
b. Balances with banks		
In Current Account	0.16	0.04
In Fixed Deposit *	5.23	33.77
Total	5.53	33.95

* Out of above Fixed Deposit of ₹ 5.00 crores (Previous Year ₹ 6.62 crores) is lying with banks as margin money against Letter of Credit and Bank Guarantee.

Note 15 Short-term Loans and advances

	As at June 30, 2015 (₹ in crore)	As at June 30, 2014 (₹ in crore)
Capital advances – unsecured, considered good	21.60	21.55
Loans and advances to others		
Unsecured, considered good		
Includes		
Advances to employees	0.06	0.08
Advance to suppliers and contractors	46.08	30.42
Deposit with Govt Dept	46.11	44.58
MAT Credit Entitlement	37.13	37.13
Advance Income Tax (Net of provision)	6.74	6.16
Others	62.20	43.76
Total	219.92	183.68

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Note 16 Other Income

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Interest Income	1.09	0.82
Foreign exchange gain (Net)	-	2.85
Other non-operating income	6.01	4.58
Total	7.10	8.25

Note 17 Raw Material consumed

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Opening Stock	1.59	6.35
Add: Purchase	53.08	42.95
Less: Closing Stock	0.57	1.59
Raw Material Consumed	54.10	47.71
Details of Raw Material Consumption		
i) Lime Stone	29.37	28.50
ii) Fly Ash	10.66	10.48
iii) Gypsum	2.80	4.18
iv) Purchased Clinker	5.46	-
v) Raw Material for Ready Mixed Concrete plant	2.53	0.42
vi) Other Raw materials	3.28	4.13
Total	54.10	47.71

Note 18 Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Closing Inventories		
Work in progress	0.40	0.20
Finished Goods	43.74	27.63
	44.14	27.83
Opening Inventories		
Work in progress	0.20	0.93
Finished Goods	27.63	75.38
	27.83	76.31
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(16.31)	48.48
Consists of Decrease / (Increase) in inventories	(14.10)	47.23
Consists of Decrease / (Increase) in excise duty on inventories	(2.21)	1.25
Total	(16.31)	48.48

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Note 19 Employee Benefits Expense

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Salaries & Wages and Bonus	43.23	42.64
Contribution to Provident Fund	0.84	1.00
Staff Welfare Expenses	2.39	1.43
Total	46.46	45.07

Note 20 Freight Forwarding and Other Selling Expense

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Freight outward	265.43	249.87
Stevedoring expenses	15.29	30.46
Port & shipping expenses	2.03	2.01
Discounts, Sales Promotion and Other selling expenses	44.74	40.64
Total	327.49	322.98

Note 21 Other expenses

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Manufacturing expenses		
Consumption of Packing Material	32.20	35.00
Consumption of Stores & Spares	18.99	18.52
Other manufacturing expenses	10.41	13.83
Other expenses		
Repairs to Plant & Machinery	14.30	27.56
Repairs to Building	1.67	4.04
Advertisement	4.45	3.49
Audit Fees (Refer Footnote 1)	0.22	0.22
Conveyance & Travelling	5.78	5.27
Membership, Subscriptions, Books & Periodicals	0.23	0.50
Consultancy, Legal & Professional Charges	3.33	3.87
Insurance	2.21	2.88
Postage, Telephone & Telex	0.71	0.79
Printing & Stationery	0.34	0.19
Foreign exchange (gain) / loss (net)	2.89	-
Vehicle Running Expenses	1.16	0.95
Rent, Rates, Taxes & Fees	6.19	2.84
Corporate Social Responsibility Expense (Refer Footnote 2)	1.70	-
Other administrative expenses	9.81	6.07
Total	116.56	126.02

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Footnote 1 : Payments to Auditors (Excluding Service Tax)

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Payment as Auditors	0.15	0.15
For Taxation matters	0.05	0.05
For Other Services	0.02	0.02
Total	0.22	0.22

Footnote 2 : Corporate Social Responsibility Expenses

- a) Gross amount required to be spent by the Company during the year is ₹1.13 cr. based on average net profit of last three years as per Section 198 of the Companies Act, 2013.
- b) Amount spent during the year in cash on purposes other than construction / acquisition of any asset is ₹1.70 cr.

Note 22 Finance Cost

Particulars	For the year ended June 30, 2015 (₹ in crore)	For the year ended June 30, 2014 (₹ in crore)
Interest expense	25.62	13.00
Other borrowing costs	1.85	1.05
Total	27.47	14.05

Note 23 Contingent Liabilities and Commitments

The claims against the company not acknowledged as debt amount to ₹151.94 cr. (Previous year ₹139.35 cr.) and interest and penalty thereon as may be decided at the time of disposal of the claim. Against above, the Company has deposited a sum of ₹52.95 cr. (Previous Year ₹46.26 cr.) with respective authorities as deposit.

(₹ In crore)

	As at 30.06.2015	As at 30.06.2014
Excise & Service Tax	104.58	80.78
Customs	12.41	12.41
Sales Tax	1.76	1.76
Debt Recovery Tribunal	-	11.21
Claims of Gujarat Water Supply and Sewerage Board	26.38	26.38
Land Revenue Tax	1.17	1.17
Electricity Duty	3.30	3.30
Other Claims against the Company	2.34	2.34
Total	151.94	139.35

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹4.46 cr. Net of advances (Previous year ₹53.77 cr.)

Note 24 Earning Per Share

	Particulars	2014-15	2013-14
(i)	Profit/(Loss) after Tax as per Statement of Profit and Loss (₹ in crore)	30.59	49.58
(ii)	Weighted average number of equity shares (number)	21,99,79,000	21,99,79,000
(iii)	Basic and diluted Earnings per share in ₹ (Face Value: ₹ 10/- per share)	1.39	2.25

Note 25 Deferred Tax (Assets) / Liabilities

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

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(₹ in crore)

		Deferred Tax Liability / (Asset) as on 30.06.2014	Current Year Charge / (Credit)	Deferred Tax Liability / (Asset) as on 30.6.2015
Deferred Tax Liabilities (DTL)				
Difference between Tax Depreciation and Book Depreciation		33.61	(4.55)	29.06
Total DTL	A	33.61	(4.55)	29.06
Deferred Tax Assets (DTA)				
Unabsorbed Dep.		(87.58)	-	(87.58)
Total DTA	B	(87.58)	-	(87.58)
Deferred Tax (Asset) / Liability (Net) A+B		(53.97)	(4.55)	(58.52)

Deferred tax of ₹4.55 cr. on carrying value of assets where useful life is NIL as on 01.07.2014 (after considering residual value) amounting to ₹13.80 cr. is adjusted against reserve.

Note 26 Segment Reporting

The Company is in the business of manufacturing and sale of cement and clinker which is considered to constitute one single primary segment. The Secondary segment based on geographical segmentation are considered to be Business Outside India and within India.

(₹ In crores)

Details	Within India		Outside India		Total	
	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14
Revenues	1,101.79	1,106.06	65.42	182.23	1,167.21	1,288.29
Debtors	13.52	10.89	1.02	1.62	14.54	12.51
Addition to Fixed Assets	93.07	32.06	-	-	93.07	32.06

Note 27 Related Party Disclosure as per Accounting Standard 18:

a. 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
Mr. N. B. Gohil	- Whole Time Director

b. Subsidiary, Joint Venture and Associates:

The Company has incorporated subsidiary Company in China named, Sange Testing Services (Shanghai) Co., Ltd. on March 20, 2015. However, no investment is made till June 30, 2015.

Details of Transactions with Related Parties

(₹ in crore)

Particulars	For the year ended 30.06.2015	For the year ended 30.06.2014
Remuneration to Mr. Ravi Sanghi	1.43	1.50
Remuneration to Mr. Aditya Sanghi	1.00	1.00
Remuneration to Mr. Alok Sanghi	1.00	1.00
Remuneration to Mrs. Bina Engineer	1.00	1.00
Remuneration to Mr. N. B. Gohil	0.49	0.42
Total	4.92	4.92

Remuneration includes value of perquisites amounting to ₹39,600 for each key managerial person.

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Note 28 Operating Lease

Operating lease expenditure incurred during the year in respect of cancellable lease is ₹1.54 cr. (Previous Year ₹1.51 cr.). Details of non cancellable lease are as follows;

(₹ in crore)

Company as a Lessee	30.06.2015	30.06.2014
Minimum Lease Payment		
Not later than one year	-	0.36
Later than one year and not later than five years	-	-
Later than Five years	-	-
Total	-	0.36
Company as a Lessor		
Minimum Lease Receipt		
Not later than one year	0.12	0.12
Later than one year and not later than five years	0.48	0.48
Later than Five years	-	-
Total	0.60	0.60

Note 29 Foreign currency exposure not hedge are as follows :

Particulars	Currency	As on 30.06.2015		As on 30.06.2014	
		In Foreign Currency (Mn)	₹ In crores	In Foreign Currency (Mn)	₹ In crores
Borrowings	USD	18.74	119.25	32.75	197.09
Trade Receivables (Net)	USD	0.06	0.38	0.01	0.07
Trade Payable (Net)	USD	8.96	57.01	4.90	29.52
Trade Payable (Net Advance)	CHF	0.54	3.69	0.12	0.78
Trade Payable (Net Advance)	EUR	1.35	9.60	2.26	18.61

Note 30 Other expenses include NIL pertaining to prior period expenses (Previous year ₹0.17 crore).

Note 31 Power and Fuel consumption include exchange loss of ₹0.82 crores. (Previous year ₹2.96 crore)

Note 32 Additional information pursuant to the provisions of Schedule V to the Companies Act, 2013 is as under:

A Details of Major Raw Material Consumed

	30.06.2015		30.06.2014	
	Qty (MT)	Value (₹ In crore)	Qty (MT)	Value (₹ In crore)
Limestone	2,918,838	29.37	3,315,735	28.50
Fly Ash	361,075	10.51	391,021	10.17
Gypsum	101,451	2.80	69,934	4.18

B CIF Value of Imports

(₹ in crore)

	30.06.2015	30.06.2014
Raw material	NIL	NIL
Stores and Spares	13.23	15.49
Capital Goods	11.40	2.09

C Earnings in Foreign Currency

(₹ in crore)

	30.06.2015	30.06.2014
FOB Value of Export	65.42	182.23

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D Expenditure in Foreign Currency

(₹ in crore)

	30.06.2015	30.06.2014
Professional and Consultation fees	1.33	0.23
Other matters	0.45	1.49

Note 33 Raw Material and Stores Consumption

	30.06.2015		30.06.2014	
	(₹ In crore)	%	(₹ in crore)	%
a. Raw Material Consumed:				
(i) Imported	-	-	-	-
(ii) Indigenous	54.09	100	47.70	100
Total	54.09	100	47.70	100
b. Stores and spares Consumed:				
(i) Imported	6.56	35	10.47	57
(ii) Indigenous	12.43	65	8.05	43
Total	18.99	100	18.52	100

Note 34 Employee Defined Benefits: As per Actuarial Valuation in accordance with Revised accounting Standard 15 as on June 30, 2015

(₹ in crore)

Particulars	30.06.2015		30.06.2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
I. Expense recognized in the Statement of Profit and Loss for the year ended June 30, 2015				
1. Current Service Cost	0.52	0.34	0.61	0.34
2. Interest Cost	0.31	0.21	0.26	0.13
3. Employee Contributions	-	-	-	-
4. Expected Return on Plan Assets	-	-	-	-
5. Actuarial (Gains)/Losses	(0.04)	(1.00)	(0.51)	0.37
6. Past Service Cost	-	-	-	-
7. Settlement Cost	-	-	-	-
8. Losses/(gains) on acquisition / divesture	-	-	-	-
9. Total Expense	0.79	(0.45)	0.37	0.84
II. Net (Asset)/Liability recognized in the Balance Sheet as at June 30, 2015				
1. Present Value of Defined Benefit Obligation	4.09	1.67	3.50	2.32
2. Fair Value of Plan Assets	-	-	-	-
3. Funded Status [Surplus/Deficit]	-	-	-	-
4. Net (Asset)/Liability as at June 30, 2015	4.09	1.67	3.50	2.32

III. Obligation as on June 30, 2015	30.06.2015		30.06.2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
1. Present value of Defined Benefit Obligation at the beginning of the year	3.50	2.32	3.41	1.67
2. Current service Cost	0.52	0.34	0.61	0.34
3. Interest Cost	0.31	0.21	0.26	0.13
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contribution	-	-	-	-
7. Liabilities assumed on acquisition / (settled on divesture)	-	-	-	-
8. Actuarial (Gains)/Losses	(0.04)	(1.00)	(0.51)	0.37
9. Benefits Payments	(0.20)	(0.20)	(0.27)	(0.18)
10. Sick Leave	-	-	-	-
11. Present Value of Defined Benefit Obligation at the end of the year	4.09	1.67	3.50	2.32

Sanghi Industries Limited

IV. Actuarial Assumption:
1. Discount Rate 8.30 % p.a (P.Y. 8.95 % p.a.)
2. Salary Escalation 5 % p.a (P.Y. 6 % p.a.)
3. Mortality Rate Indian Assured Lives Mortality (2006-08) Ultimate. (P.Y. Indian Assured Lives Mortality 2006-08) Ultimate

Experience adjustments

Gratuity (unfunded)

	(₹ in crore)				
Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligations	4.09	3.50	3.41	2.37	2.02
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (deficit)	(4.09)	(3.50)	(3.41)	(2.37)	(2.02)
Expected adjustments on planned Liabilities (Gains) / Losses	0.11	(0.05)	0.36	(3.88)	(0.16)
Expected adjustments on planned Assets	-	-	-	-	-

Leave Encashment (unfunded)

	(₹ in crore)				
Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligations	1.67	2.32	1.67	1.04	1.27
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (deficit)	(1.67)	(2.32)	(1.67)	(1.04)	(1.27)
Expected adjustments on planned Liabilities (Gains) / Losses	(0.94)	0.67	0.41	(0.30)	(0.03)
Expected adjustments on planned Assets	-	-	-	-	-

Note 35 As per the Mines and Minerals (Development and Regulations) Amendment Act, 2015, the Company is required, in addition to royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried out, an amount not exceeding the royalty paid, in such a manner and subject to the categorization of the mining leases and the amounts payable by the various categories of lease holders, as may be prescribed by the Central Government.

The Company is also required to pay a sum equivalent to two percent of the royalty to the National Mineral Exploration Trust as per the requirement of the Mines and Minerals (Development and Regulations) Amendment Act, 2015.

As on the balance sheet date, contribution required to be made to District Mineral Foundation is not determined and rules for National Mineral Exploration trust are yet to be notified, hence no provision is made during the year ended June 30, 2015.

Note 36 The previous year's figures have been regrouped/reclassified wherever necessary to conform with current year's classification.

Signatories to Note No. 1 to 36

As per our Report of even date

For **Ankit & Co.**,
Chartered Accountants
FRN No. 000181S

S. Brij Kumar
Partner
M.No. 19357

For **Haribhakti & Co. LLP**,
Chartered Accountants
FRN No. 103523W

Atul Gala
Partner
M.No. 048650

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
D. K. Kambale	-	Director
Sadashiv Sawrikar	-	Director
D. B. N. Rao	-	Director
Naresh J. Gwalani	-	Director
R. K. Pandey	-	Director
T. M. Jagan Mohan	-	Director

Anil Agrawal - Company Secretary

Place : Mumbai
Date : August 28, 2015



Turning Dreams into Concrete Reality

Sanghi Industries Limited

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