SAGAR CEMENTS LIMITED

Ref:SCL:SEC:2021-22

3rd July 2021

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

Symbol: SAGCEM
Series: EQ

The Secretary
Bombay Stock Exchange Limited
P J Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 502090

Dear Sirs,

Sub: Submission of Integrated Annual Report under Regulation 34 (1) of the SEBI (LODR) Regulations 2015

...

Pursuant to Regulation 34 (1) read with other applicable Regulations of SEBI (LODR) Regulations, 2015, we are submitting herewith our Integrated Annual Report for the year ended 31**st** March 2021, which, inter-alia contains the Notice of the 40th Annual General Meeting of the company to be held on Wednesday, the 28th July, 2021. Copies of this Report are being mailed to our shareholders and others entitled to receive it and the same is also available on our website viz., www.sagarcements.in.

Thanking you

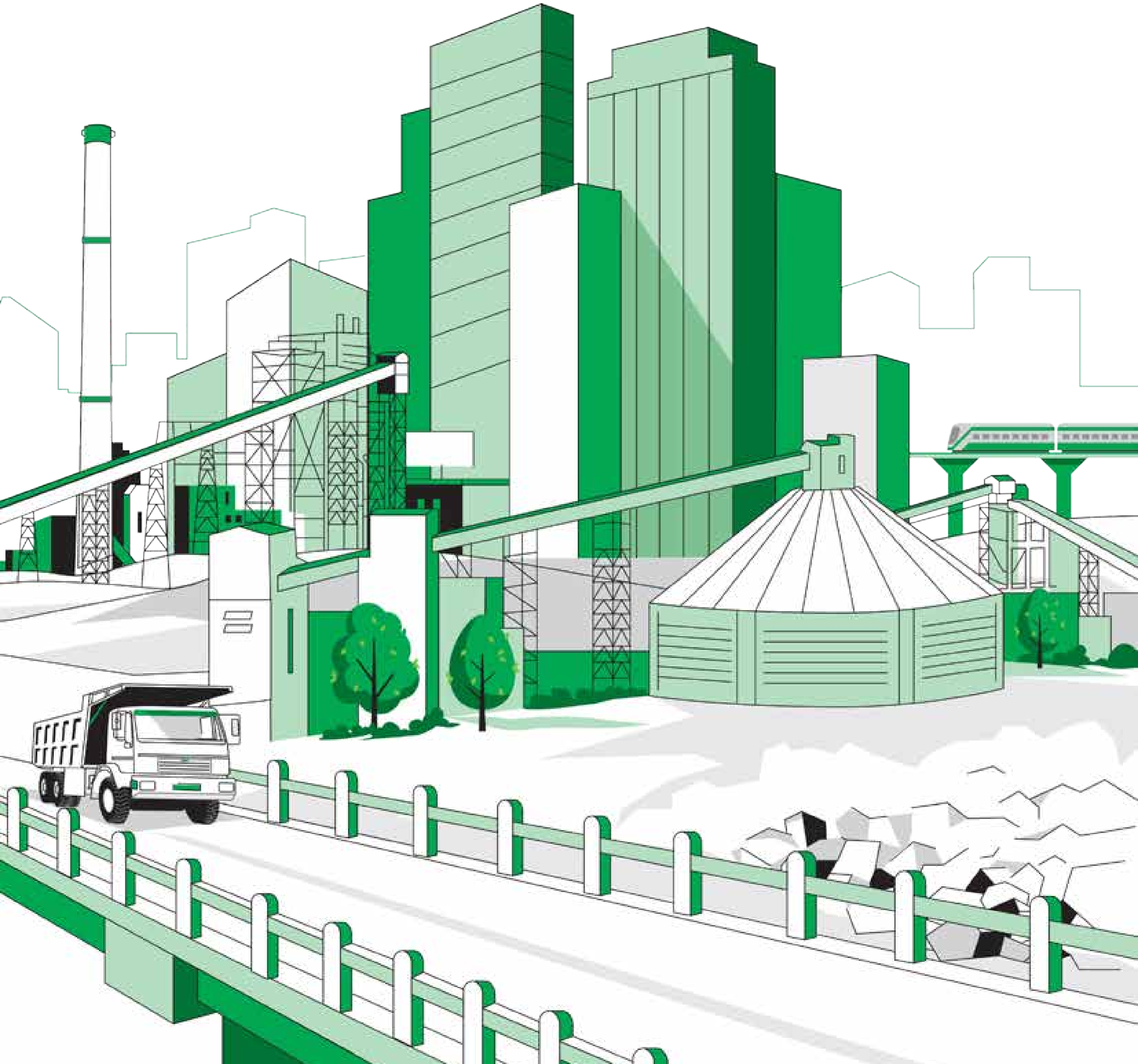
Yours faithfully
For Sagar Cements Limited

R.Soundararajan
Company Secretary

Encl: a.a.

INTEGRATED REPORT
2020-21

Able | Ambitious | Ahead



About this report

This is the second integrated report of Sagar Cements Limited (SCL), prepared annually in accordance with the guiding principles and content elements of the International Integrated Reporting <IR> Framework published by the International Integrated Reporting Council (IIRC).

The report's objective is to holistically present SCL's ability to create, retain and enhance value for all its stakeholders. The Company's integrated thought process is elucidated through its multi-capital-based business model, strategic framework, good governance practices, and strong financial and non-financial performance. The report also provides a detailed account of the organisation's credentials and its broad operating environment. This report has been prepared in accordance with the GRI Standards: Core option.

Reporting boundary and scope

The report includes material financial and non-financial information on:

- SCL, and its subsidiary Sagar Cements (R) Limited (SCRL), their manufacturing units at Mattampally and Gudipadu, and the grinding unit at Bayyavaram
- Multiple resources and relationships that the organisation relies on to create value and impact with its operations

There were no significant changes to the organization and its supply chain during the last year. There are no-restatements of information.

Reporting period

This integrated report covers disclosures pertaining to the Company's developments between 1st April 2020 and 31st March 2021 (FY2021).

Statutory disclosures and financial statements

Sections of this document also comply with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. Readers are invited to read them in conjunction with the contents prepared using the <IR> format to get a holistic view of our annual performance and future direction.

Responsibility statement

The Board of Directors and our Management together acknowledge their responsibility to ensure the integrity of this integrated report, to the best of their knowledge. The report has been authorised for release on 3rd July, 2021.

Introducing key elements and icons

Material issues

Environment

- M1 Climate and energy
- M2 Waste management and circular economy
- M3 Responsible consumption
- M4 Responsible sourcing and alternate raw materials
- M5 Renewable energy
- M6 Biodiversity management
- M7 Sustainable land use, relocation and rehabilitation (after mine closures)

Social

- M8 Occupational health, wellbeing and safety
- M9 Employee work-life balance and human rights
- M10 Supplier engagement
- M11 Social responsibility and engagement
- M12 Employee training and development
- M13 Employee relations and engagement
- M14 Benefits, fair compensation and social security
- M15 Local economic value creation

Governance

- M16 Tax and economic contribution
- M17 Fair business operations, business ethics and good governance
- M18 Compliance
- M19 Interest payments
- M20 Risk management
- M21 Brand and reputation
- M22 Public policy and advocacy

Economic

- M23 Economic performance and profitability
- M24 Vendor engagement and training
- M25 Return on investment
- M26 Business growth
- M27 Customer satisfaction
- M28 Technology and process innovation
- M29 Customer acquisition
- M30 Order fulfillment
- M31 Transport and logistics
- M32 Distribution presence

Our six capitals

Financial capital

₹ 1,25,804 Lakhs
Net worth

0.56
Debt-to-equity ratio

Manufactured capital

5.75 MTPA
Installed capacity in operation

2.50 MTPA
Capacity under construction

Intellectual capital

₹ 22.42 Lakhs
R&D expenditure

Human capital

2,204
Number of employees

246
Employees with a tenure of 10+ years

Social and relationship capital

₹ 130 Lakhs
CSR expenditure in FY2021

20,000+
Beneficiaries

Natural capital

5.06 MnT
Raw material consumed

629.22 MnT
Total limestone reserves*

1,767.18 MWh
Solar power generated (net)

21,352.1 MWh
Hydro power generated (net)

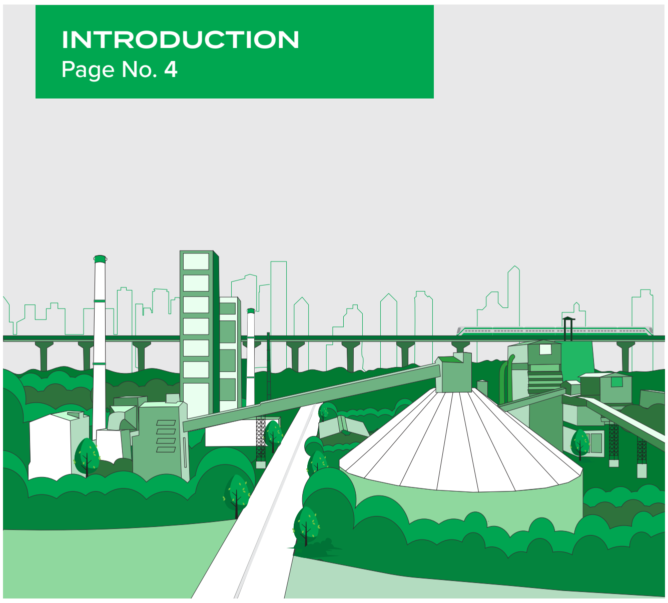
* The reduction is due to consumption during the year and consequent to MMDR Amendment Bill 2021

Inside the report

Available online at:
www.sagarcements.in

SUSTAINABLE DEVELOPMENT GOALS

Mapping with UN SDGs
Throughout the report, you will find icons related to the UN Sustainable Development Goals (SDGs). For each chapter, we have determined the SDGs where Sagar Cements Limited contributes with its activities.



A year of resilient performance

Highlights FY2021

₹ 1,37,132 Lakhs
Revenue

₹ 40,044 Lakhs
EBITDA

₹ 18,560 Lakhs
Profit after tax

30,67,099 T
Cement produced

100%
Water for industrial use is recycled

85,367.1 Mwh
Energy generated from green and renewable sources

4.69%
Thermal substitution rate (Mattampally)

0.94%
Thermal substitution rate (Gudipadu)

Zero
fatalities

₹ 130 Lakhs
CSR spend

20,000+
No. of beneficiaries

37.5%
Independent Directors

100%
Average attendance rate in Board meetings

AMBITIOUS
Page No. 24

AHEAD
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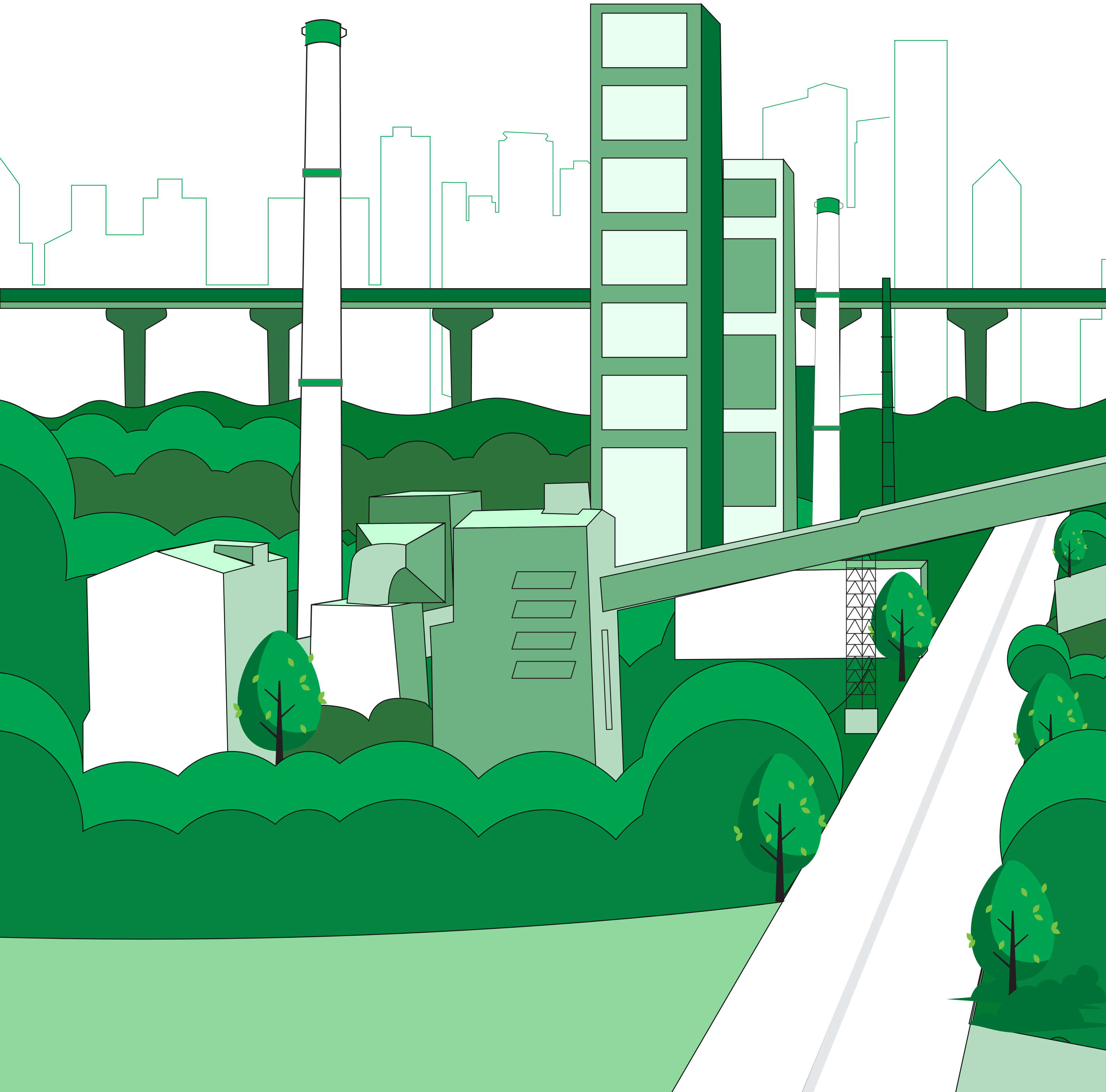
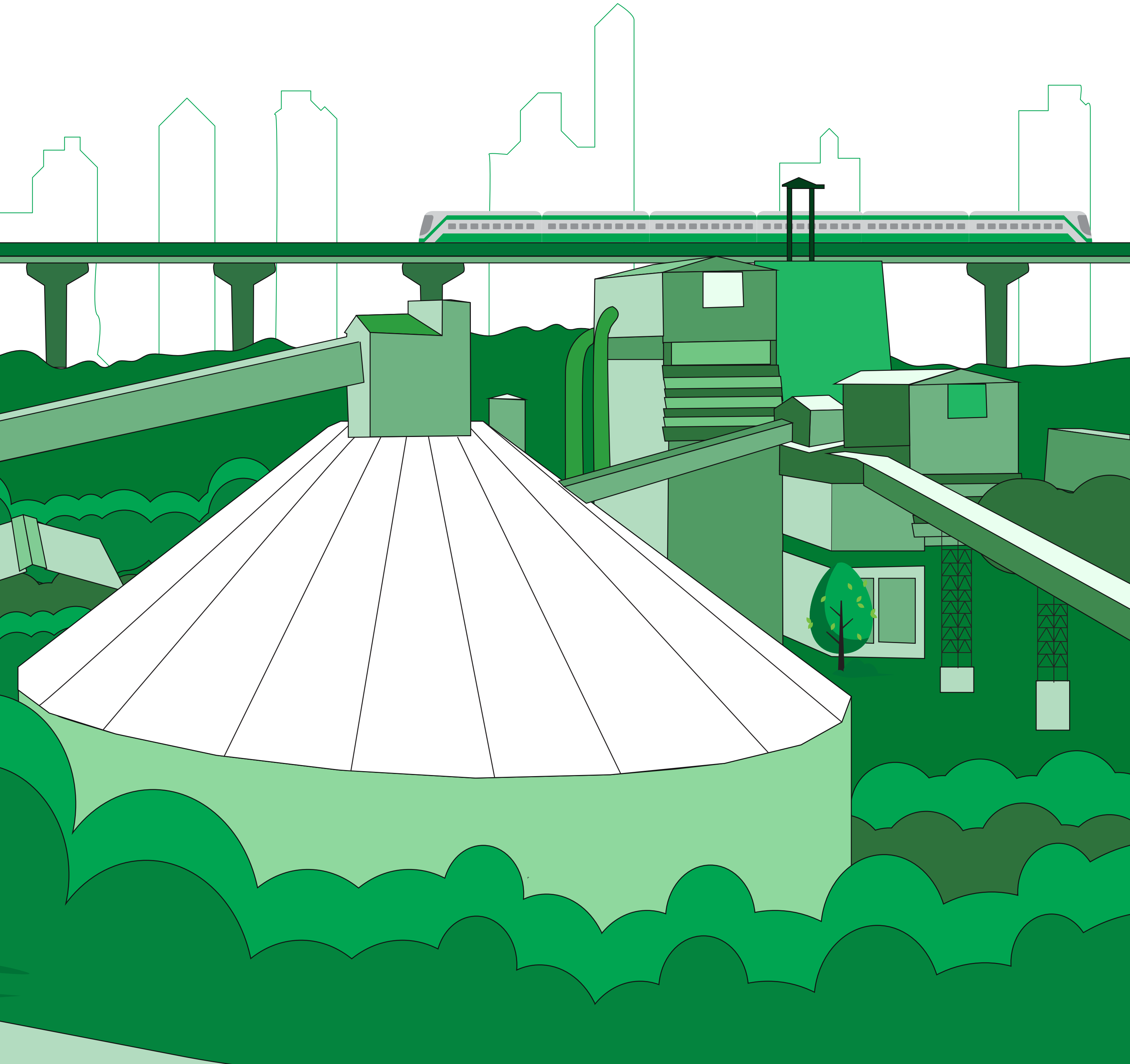
INTRODUCTION

Established in 1985, Sagar Cements Limited (SCL) has established a robust presence in the South Indian cement industry. As a stakeholder-driven organisation, we actively contribute to the betterment of societies and aim to fortify nation building in a self-reliant India with the quality and strength of our cement.



Introduction



Strong roots.
Stronger growth.

We're responsible for the creation of a cement cluster in the Krishna river belt, and are one of the major cement producers in South India. Today, we are spreading our wings wider, with greenfield projects in Madhya Pradesh and Odisha, to leverage emerging demand in the Central and Eastern regions.

Capacity and reserves

5.75 MTPA
Cement capacity (Group)

629.22 MnT
Limestone reserves

3.80 MTPA
Clinker capacity

61.55 MW
Power generation capacity with 30.13% green and renewable energy capacity

Mattampally Plant

Product Spectrum

Ordinary Portland Cement (OPC) includes 53 grade & 43 grade	Portland Pozzolana Cement (PPC)
Portland Slag Cement (PSC),	Composite Cement
Special Cement includes Sulphate Resistant Cement (SRC_ and 53S Grade	Ground Granulated Blast Furnace Slag (GGBS)

Share Holding Pattern

(as on 31st March, 2021)

50% Promoters

35% Non-institutions

15% Institutions

Built on robust fundamentals

Our decades-old industry expertise has allowed us to build a strong business with a sharp competitive edge. Over the years, we've inculcated best-in-class practices and adopted strategies that have strengthened our presence, our supply chain network, and enhanced cost and resource optimisation. This has led to a steady balance sheet, trustworthy brand name and capability to expand our reach further.

Strategically located

Our two integrated plants and one grinding unit are strategically located with access to key raw materials and the ability to reach crucial markets with ease, while keeping our costs under control. The plants are close to the major markets in South India as well as key markets in Maharashtra and Odisha. We're a part of the Nalgonda and Yerraguntla cement clusters. Our facilities are located close to major limestone reserves in Mattampally and Gudipadu. They are also in close proximity to coal mines, our main fuel, and ports.

Strong regional presence

We have an established presence across all five southern states. In addition to this, we've also gained ground in the states of Maharashtra and Odisha. By acquiring SCRL and Bayyavaram plants, we've been able to widen and deepen our market reach in these regions. While SCRL caters to the southern regions, Bayyavaram helps us gain greater access to the eastern markets, particularly north coastal districts of Andhra Pradesh and Odisha.

Vigorous distribution network

The past few decades have seen the establishment of an extensive and reliable distribution network that consists of distributors, dealers, sub-dealers' and Clearing and Forwarding (C&F) agents. We have an expert in-house marketing team in place to service this network of dealers and channel partners.

1,732
Dealers

3,998
Sub-dealers

52
C&F agents

Brand advantage

We've built a strong brand in 'Sagar Cement' over the past few decades. Our name is associated with quality cement and reasonable costs, as well as a history of excelling in servicing the demands of the regions in which we operate.

SAGAR CEMENT

Expert management with robust industry experience

Our management consists of experts with deep industry knowledge and strong and varied experience. Their long stints in various areas of the cement business provide the Company with the necessary expertise and sharp insight into the sector which we are able to leverage for further growth and expansion.

Strategic presence that enables efficiencies

We have set up world-class, highly advanced and integrated plants capable of producing 5.75 MTPA of cement with a group captive power generation of 61.55 MW. Our state-of-the-art facilities comply with top industry standards and some of the best practices in the world.

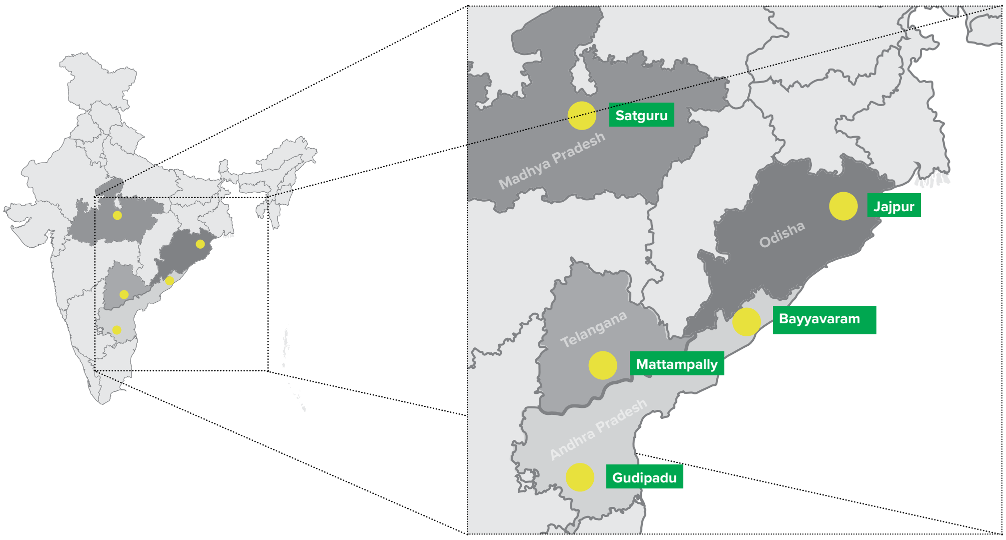
Compliance with

ISO 50001:2018

ISO 14001:2015

ISO 9001:2015

OHSAS 18001



GreenPro
Product certification as a mark of SUSTAINABLE PRODUCT quality

GreenCo
Plant process certification as a mark of ENVIRONMENTAL FRIENDLY manufacturing

Description of Product	Plant @ Mattampally	Plant @ Gudipadu	Plant @ Bayyavaram
GreenCo Certification	**GOLD**	**GOLD**	**PLATINUM**
GreenPro Certification			
PPC (Portland Pozzolana Cement)	√	√	√
Composite Cement			√
PSC (Portland Slag Cement)		√	√
GGBS (Ground Granulated Blast Furnace Slag)			√

Sagar Cements Limited Mattampally, Telangana

Key Markets:
Andhra Pradesh, Telangana, Tamil Nadu, Odisha, Maharashtra

3.0 MTPA
capacity

47%
Capacity Utilisation (FY2021)

28.13 MW
Captive power

404.21 MnT
Limestone reserves

18 MW
Thermal Power

10.13 MW
Green energy

Sagar Cements (R) Limited Gudipadu, Andhra Pradesh

Key markets:
Andhra Pradesh, Karnataka, Tamil Nadu

1.25 MTPA
capacity

69%
Capacity Utilisation (FY2021)

25 MW
Captive power

161.96 MnT
Limestone reserves

25 MW
Thermal Power

Sagar Cements Limited Bayyavaram, Andhra Pradesh

Key markets:
Vizag, Vizianagaram, Srikakulam, South Odisha

1.5 MTPA
capacity

54%
Capacity Utilisation (FY2021)

8.42 MW
Captive power

8.42 MW
Green energy

Upcoming facilities

Satguru Cement Pvt. Ltd
Greenfield integrated cement plant in Madhya Pradesh

Status:
Under implementation

1 MTPA
capacity

65%
SCL stake

Acquired on
8th May, 2019

Approvals
In Place

63.047 MnT
Limestone Reserves

1.0 MW
Solar Power Plant

5.3 MW
WHRS Power Plant

30th September, 2021
Expected COD

Jajpur Cements Pvt. Ltd
Greenfield grinding unit in Odisha

Status:
Under implementation

1.5 MTPA
capacity

100%
SCL stake

Acquired on
2nd May, 2019

Approvals
In place

30th September, 2021
Expected COD

Delivering value and growing with everyone

Providers of financial capital

Delivering greater than average return on investments through dividends and share value appreciation.

65%
dividend

Suppliers

Robust industry relationships ensure an unbroken supply chain that meets all of SCL's raw material requirements in a mutually beneficial business model.

7,597
Active vendors

Government, regulators and policymakers

SCL contributes to the country's infrastructure development needs in addition to meeting direct and indirect taxes.

₹ 41,651 Lakhs

Channel partners

SCL provides a great business opportunity to its channel partners.

664
Vendor engagements in FY2021

Customers

Helping customers meet their construction needs with the provision of quality cement across different grades at affordable prices.

OPC-53, OPC-43, PPC, PSC, Composite Cement and GGBS are produced by SCL.

Influencers

SCL forms part of the industry they represent or the sector they may relate. Our performance also provides inputs to various industry studies, benchmarking initiatives and reports.

Employees

In addition to creating a holistic work environment, the Company creates value for its employees through benefits and compensation, training and career development, and occupational health and safety.

8,129
Total training hours at SCL

576
Number of training participants

14.11
Average training hours per employee

Environment

At SCL, we are constantly working to mitigate our environmental footprint.

17.68%
Alternative and renewable fuel consumption

27.05%
of renewable energy

Community

SCL gives back to the communities through employment generation, CSR initiatives, and infrastructure support.

20,000+
CSR beneficiaries to date

₹ 130 Lakhs
Total CSR expenditure in FY2021

Combating the pandemic

Apart from undertaking requisite safety measures and social initiatives in response to the health crisis, we provided additional benefits to our employees throughout this difficult year.

At the beginning of the financial year, our operations were impacted by the pandemic and consequent lockdowns were imposed towards the end of March 2020. This led to degrowth in the first quarter, resulting from lower sales volumes.

There were signs of demand revival since the lifting of the lockdown in June, which continued till the first week of January 2021. Demand from the rural and non-metro areas remained strong during the period. While the pricing movement in the Southern markets improved as result of pent-up demand and the commencement of certain mega irrigation projects, Eastern India saw similar pricing movement due to robust demand. However, Western India witnessed a decline in prices. This was due to construction inactivity owing to a labour shortage and the rise in the number of COVID-19 cases.

With issues such as labour shortage and supply chain disruption being addressed, the tide has turned for the cement sector in India, and for us at SCL. Our workers have also adapted well to working in the new environment. Even at the height of the health crisis, we maintained business continuity and adopted cost optimisation measures. We continue to ensure the safety of our workers while ensuring that their livelihood remains secure. We also provided a COVID-19 specific Medical insurance policy amounting to ₹ 10 Lakhs in addition to ₹ 5 Lakhs regular Mediclaim cover, for the benefit of all our employees. We have provided our employees and contract workers a special bonus comprising of a month's salary due to our improved financial performance during the year.

The markets in Andhra Pradesh, Tamil Nadu, Karnataka, and Kerala have performed fairly well. However, Telangana witnessed a slight downturn during the year as government expenditure in the state was not comparable with that in other states. Later on, the price improvement in Andhra Pradesh, Tamil Nadu, and Telangana was offset by a price decline in Kerala and Karnataka.

By the end of the fiscal year, there was strong growth in volumes as a result of government investment in infrastructure as well as an uptick in construction activities in rural areas and housing demand in metro and smaller cities. Both the Southern and Western markets witnessed a greater number of infrastructure projects funded by the government. Despite the challenges arising from the pandemic, we had a reasonably good year.

Initiatives to tackle the COVID-19 crisis:

1. Contributed ₹ 1 Crores each to the Telangana and Andhra Pradesh Chief Minister's Relief Fund for dealing with the COVID-19 situation
2. Contributed ₹ 25 Lakhs to PM Cares Fund for dealing with the COVID-19 situation
3. Adopted a COVID-19 specific additional Mediclaim insurance policy amounting to ₹ 10 Lakhs for the benefit of all our employees
4. Provided a similar COVID-19 specific Mediclaim policy for 236 dealers and 599 sub-dealers, for ₹ 5 Lakhs and ₹3 Lakhs, respectively.
5. Conducted the RTPCR test for all employees on two separate occasions
6. Distributed oximeter, masks, PPE kits, and food packets
7. Conducted a COVID-19 vaccination programme that covered employees and various other stakeholders of the Company and their families

ABLE

Even in a dynamic and uncertain external environment, we continued to operate a strong and resilient business in FY2021. Our operating EBITDA and profitability margins expanded, and we were able to prove our resounding ability to create significant value for our investors and other stakeholders.

Reviewing FY2021

Strength meets commitment

At SCL, we continued to deliver on our investor promises, and prioritised the health and well-being of our people and communities. As lockdowns were lifted, our confident workforce ensured that we made up for any losses suffered during the initial months, under the guidance of our management and the Board.

Dear Stakeholders,

I am humbled to write this letter as the new Chairman of Sagar Cements, where I have been serving as an Independent Director on Board.

We are living in interesting times. The external environment is more dynamic than ever, even as we adapt to a new normal and strive to contain the effects of the second wave of the pandemic. Collectively, the past year has tested sectoral strengths as the pandemic initiated deep changes that have redefined industries as a whole. In this context, it is becoming increasingly clear that those enterprises operating with a long-term view, cognisant of emerging realities and agile enough to adapt are the only ones that can survive and grow.

For the past four decades, Sagar Cements has built an enterprise that can not only withstand external shocks, but can also grow significantly and contribute to society. This has held true even in a watershed year such as FY2021, during which, we continued to create value for all stakeholders. Reflections of this value creation has been captured throughout this integrated report.

A year that stood apart

FY2021 was a year that exposed both the strengths and the fault lines of the Indian economy. The year started with the pandemic-induced lockdowns impacting business at both broad and granular levels, causing one of the biggest output dips – 23.9% – in the first quarter.

Once the lockdown eased, economic activity couldn't be restricted for longer, and pent up demand surfaced, boosting activity. This was amply supported by the government's fiscal policy, which included announcements such as the Aatmanirbhar Bharat package of ₹ 20 Trillion (~10% of the GDP). The Reserve Bank of India also complemented the efforts with a conducive monetary policy stance that injected liquidity into the system. In the fourth quarter, pro-growth budgetary announcements further lifted sentiment with announced capital expenditure of over ₹ 5 Trillion. Projects initiated under the National Infrastructure Pipeline also contributed fairly in shoring up activity. Together, these measures contained annual GDP de-growth at 7.3%, a much smaller figure than earlier estimates.

Cement industry bouncing back

From an industry standpoint, cement suffered from inactivity and muted demand in the initial quarters of the fiscal. Supply chain and logistics disruptions added to the sector's problems, and the industry outlook appeared bleak at the time. However, as rural demand revived, green shoots started to appear. The resumption of production and realignment of supply chains capitalised on the rebounding demand. Infrastructure and housing projects continued to support the industry and large-scale public expenditure programmes (including those with a focus on South India) significantly lifted the sentiment. In CY2020, the industry witnessed a contraction of about 10-12%, but this fall is expected to be mitigated by a bounce back of over 10% in CY2021, and a CAGR of over 7% between FY2020 and FY2026.

Resilient performance with collective efforts

At SCL, we continued to deliver on our investor promises, and prioritised the health and well-being of our people and communities. As lockdowns were lifted, our confident workforce ensured that we made up for any losses suffered during the initial months, under the guidance of our management and the Board. As a result, we were able to deliver another year of growth, with about 17% revenue growth and six times growth in profitability, year-on-year.

Delivering on growth ambitions

Even as the pandemic-led lockdowns hampered project schedules, we were able to pick up on our greenfield projects in Madhya Pradesh and Odisha. The projects are expected to aid our cash flows going forward, and will help in leveraging demand from the rising economies of Central and Eastern India. We expect full commissioning of these projects in September 2021.

Stewardship with a sense of responsibility

Being a large manufacturer, we are responsible for managing and containing our environmental footprint in the most prudent way possible. These aspects dovetail into our ESG priorities. By adopting globally accepted conservation practices, we ensure that we reduce our carbon and water footprint involved in the production of every tonne of our cement. Some interventions include investments in renewable energy, efficiency enhancement programmes, circularity in operations and stringent emission controls. At SCL, we also believe in inclusive growth that can create self-sufficient ecosystems and a socially virtuous cycle. Towards this end, we have contributed ₹ 130 Lakhs for our CSR initiatives in FY2021.

An optimistic outlook

The future from here appears positive, as India adapts to the new normal and vaccinations are administered at scale. The announcements made by the government to support the economy are expected to bring results in the near-to-medium term, and the potential for India to emerge as a manufacturing hub is stronger than ever. Cement will play a key role in building the India of the future, as the Country urbanises and steps up in overall competitiveness.

As I conclude, I would like to denote my gratitude to all employees of SCL, who have relentlessly contributed, in both letter and spirit, to keeping us resilient and growing. I would also like to applaud the management, which ensured that our immediate priorities were executed with prudence while keeping in mind our long-term commitments.

Best regards,

K. Thanu Pillai

Powered by our collective ambitions

"FY2021 witnessed SCL deliver on all its strategic priority areas. Our capacity expansion projects are fast nearing completion and within the second quarter of FY2022, we expect to commence production at our new Satguru and Jajpur facilities. Their operations will help us realise our ambition of becoming a 10 MTPA cement producer by 2025.

Dear Stakeholders,

The year 2021 presented new challenges spurred by the outbreak of the COVID-19 pandemic. At SCL, we executed our business continuity plan to deliver on our operational and financial guidance, and continued to deliver to our customers. As the scenario improved, we were able to bounce-back with added vigour, helping us deliver a significantly high performing year amidst all odds.

Towards the close of FY2021, we were operating in an environment led by strong underlying demand, a steady rural economy, consistent housing sector demand and an overall pick-up in infrastructure. We expect this trend to continue in the near term. Input prices rose in the final quarter, post which price revisions were initiated.

Operational performance

From an operational standpoint, we grew our volumes by 1% over the previous year to touch a total production of 3.2 MTPA. Our mother plant at Mattampally operated at 47% capacity, while the Gudipadu and Bayyavaram units saw capacity utilisation of 69% and 54% respectively to achieve this. About 42% of the cement we produced belonged to the blended cement category.

In terms of logistics, the first three quarters witnessed zero rail transport and we relied on road transportation for our outbound logistics. In Q4 FY 2021, however, about 8,000 tonnes of finished product were transported by rail. Across the year, nearly 3.2 Million tonnes of cement were moved via road channels. On an average, the yearly lead-distance factor stood at 291 KM.

From a cost standpoint, there have been marginal increases in raw material, employee and freight costs, while power and fuel costs have remained lower than levels a year ago. This was made possible by reduction in fuel price, usage of alternative fuel and optimisation of thermal efficiency.

Through the year, we have taken various steps towards lowering the costs of our operations. Our units are making significant contribution towards operating cost efficiencies. For example, in order to mitigate pricing risk from increasing fuel prices, we have initiated using a mixture of petcoke and coal. The completion of our projects in Madhya Pradesh and Odisha will result in better margins along with an improved product mix and greater regional presence, bringing down our freight costs in the process.

Financial performance

Revenue from the operations for the year stood at ₹ 1,371 Crores as against ₹ 1,175 Crores in FY2020, an increase of almost 17%. Operating profit for the year stood at ₹ 400 Crores as against ₹ 186 Crores in FY2020, up by almost 116% YoY. From a net profit view, our PAT jumped significantly to touch ₹ 186 Crores during the year, over six times the figure a year ago. The performance was led by a buoyant environment, strict cost control and overall efficiencies. From a balance sheet standpoint, our net worth has increased by ten-fold in the past seven years.

A strategic merger

Our Board of Directors has approved the merger of Sagar Cements (R) Limited (SCRL), a wholly-owned subsidiary, with Sagar Cements. This merger is expected to enhance our overall scale of operations, drawing on significant synergies in business activity, consolidation, focused attention, centralised administration, economy of operation, integrated business approach and greater efficiency. It would also result in cost optimisation with regard to overheads and render a better financial structure and capital utilisation. From an administrative lens, the merger would reduce multiplicity of legal and regulatory compliances and a result in a more simplified Group structure.

Our ESG priorities

At SCL, we view ESG as an integral part of business, and continue to make significant strides in meeting our goals. In FY2021, we undertook a strategic stakeholder engagement and materiality assessment to understand our most material ESG issues, as rated by our stakeholders and management. The results of the same have been published with this report. Further, we have made critical disclosures on key ESG parameters, such as emissions, waste, water, raw material, safety, corporate governance etc., featuring our approach and overall performance on these grounds. From a transparency and disclosure perspective, this year, we have enhanced our integrated report with additional GRI indicators, and we plan to report on these set parameters as we go ahead.

Delivering on strategy

FY2021 witnessed SCL deliver on all its strategic priority areas. Our capacity expansion projects are fast nearing completion and within the second quarter of FY2022, we expect to commence production at our new Satguru and Jajpur facilities. Their operations will help us realise our ambition of becoming a 10 MTPA cement producer by 2025. Cost and efficiencies continue to be our strong emphasis areas, where we have made significant progress in the past. In FY2022, we achieved a total cost savings of 3%. We also continued to adopt new technologies and drive digitalisation as a major agenda throughout the organisation, thus driving significant efficiencies and future-proofing ourselves.

Towards the future

At SCL, we are powered by the ambitions of hundreds of our employees who strive to outperform every day. With their vigour and highly conducive market prospects, we are certain that we will grow faster and build better. In doing so, our ambitions will be complemented by principles of good governance and responsibility. Before we conclude, we would like to thank every stakeholder who continues to support us in our journey forward. As we execute our future plans with confidence, we request your sustained trust and support.

Best regards,

S. Anand Reddy and
S. Sreekanth Reddy

Performing against all odds

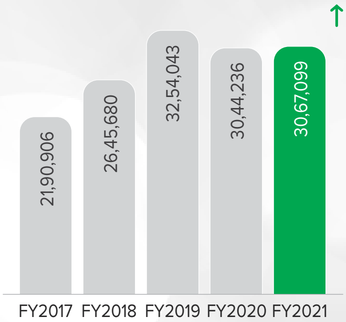
In spite of the headwinds, we put up a resilient performance, superseding last year's production even though work had been suspended during the lockdown. Strict cost control and resource optimisation helped improve our profitability by six times over last year. Our expansion plans are on track and we hope to make most of the market buoyancy.

Operational review

Cement production (in T)

1% YoY growth

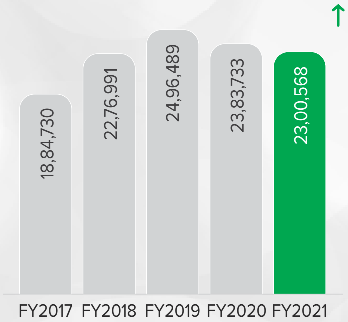
7% (5-year CAGR)



Clinker production (in T)

(3)% YoY growth

4% (5-year CAGR)



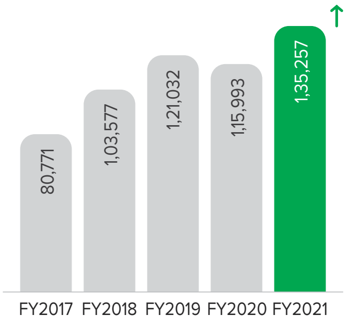
Financial review

Profit and loss indicators

Net sales (₹ Lakhs)

17% YoY growth

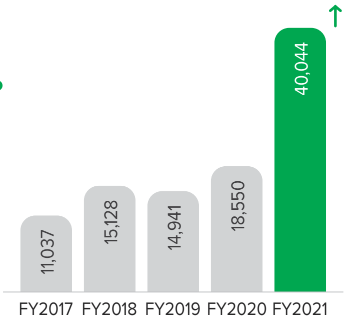
11% (5-year CAGR)



EBITDA (₹ Lakhs)

116% YoY growth

29% (5-year CAGR)



EBITDA margin (%)

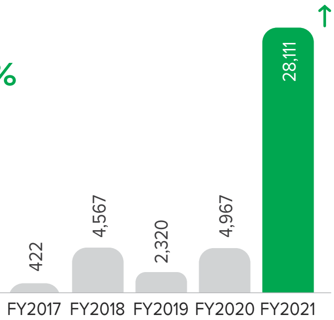
85% YoY growth

17% (5-year CAGR)

Profit before tax (₹ Lakhs)

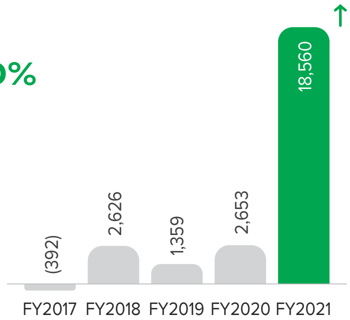
466% YoY growth

132% (5-year CAGR)



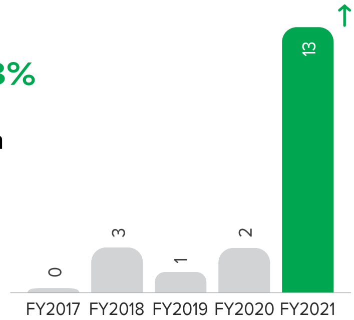
Profit after tax (₹ Lakhs)

600% YoY growth



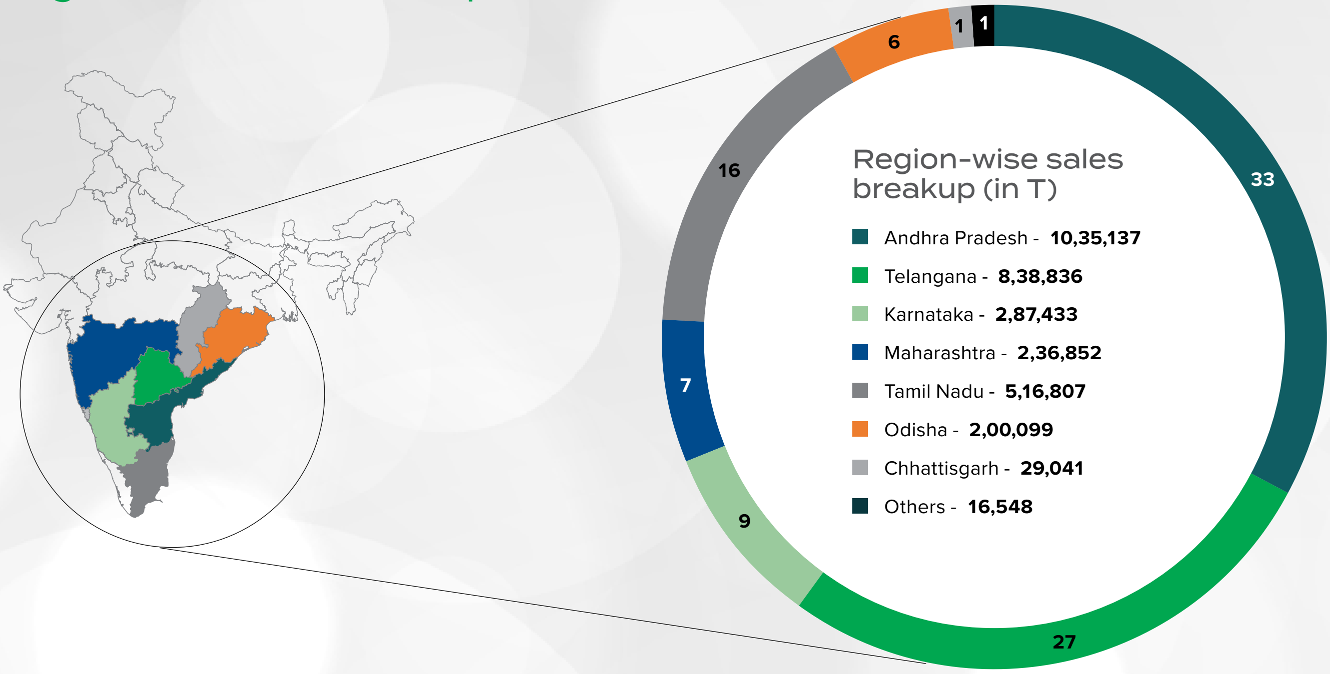
PAT margin (%)

498% YoY growth



↑ YoY growth

Region-wise sales breakup



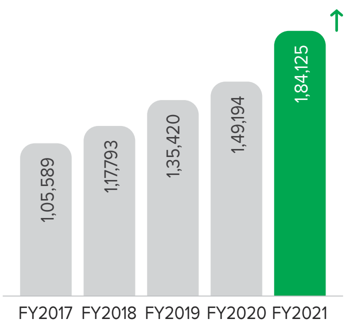
Profit and loss indicators

Net fixed assets*

(₹ Lakhs)

23% YoY growth

12% (5-year CAGR)



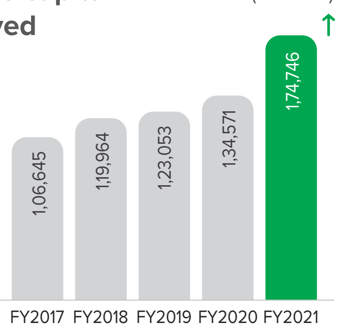
*includes goodwill

Average capital employed

(₹ Lakhs)

30% YoY growth

10% (5-year CAGR)

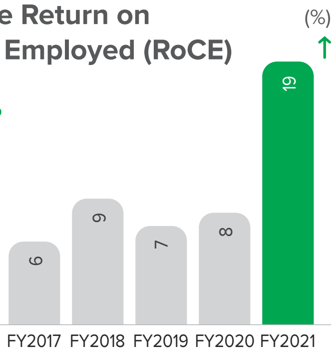


Average Return on Capital Employed (RoCE)

(%)

128% YoY growth

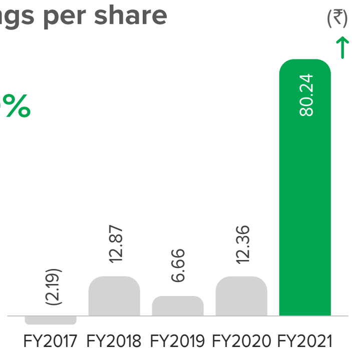
25% (5-year CAGR)



Earnings per share

(₹)

549% YoY growth



↑ YoY growth

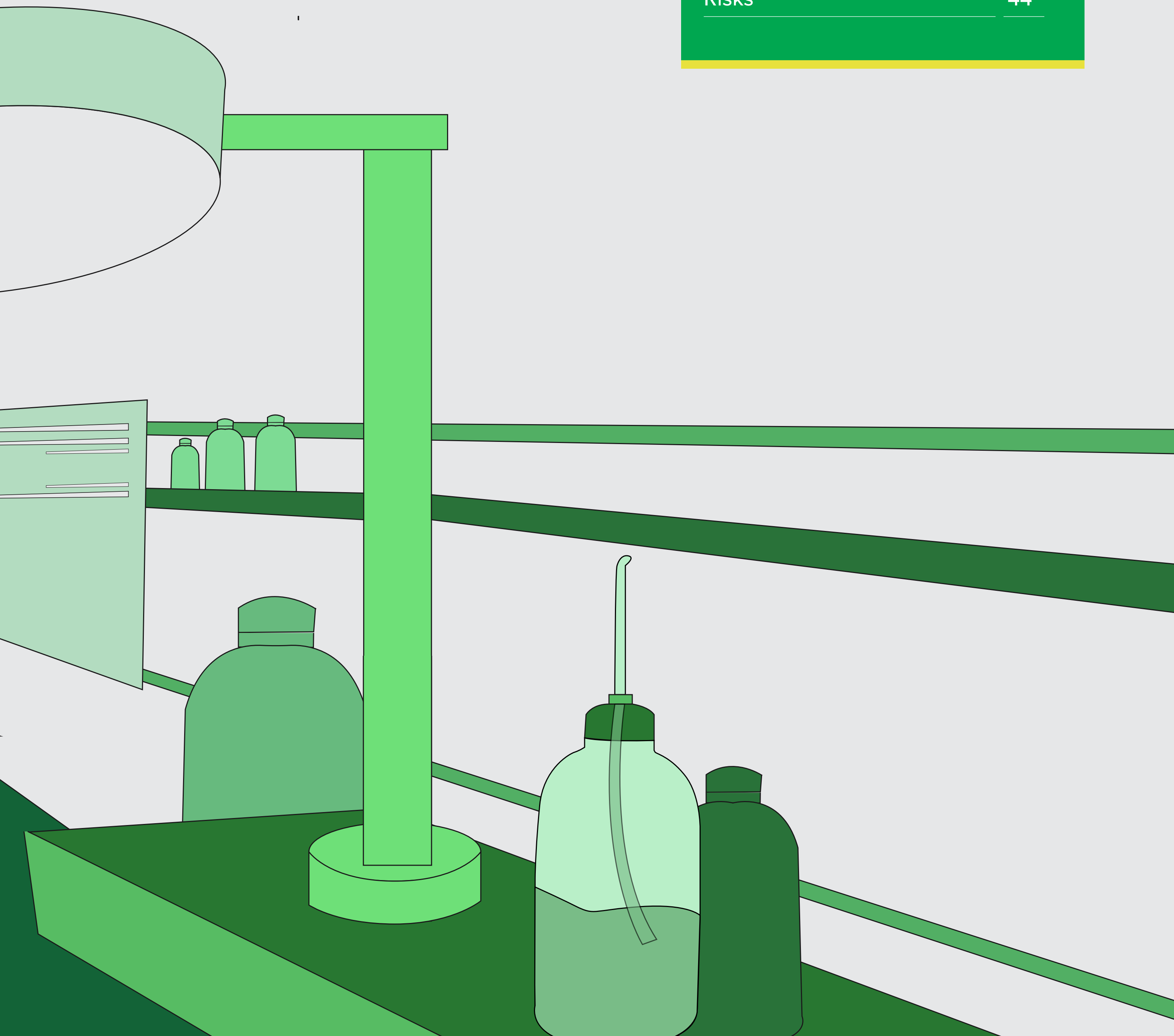
Direct economic value generated and retained 2020-21 (₹ Lakhs)

A) Direct Economic Value Generated	
Gross Revenue from Operations	1,68,667
Other Income	778
Total	**1,69,445**
B) Economic Value Distributed	
Operating Expenses (Excluding Employee Wages and Benefits)	94,001
Employee wages and benefits	7,636
Payment to providers of Capital	6,184
Payment to government	41,651
Total	**1,49,472**
C) Economic Value Retained (A-B)	**19,973**
Profit Before Tax	28,111
Profit After Tax	18,560
Earnings Per Share	80.24
Financial assistance received from government	
Benefits received under State Investment Promotion	1,714

AMBITIOUS

Our strategic ambitions and value-led growth proposition continued to hold us in good stead in FY2021. We continued to deliver on all our greenfield expansions and other key projects that will propel our momentum in the near future.

Value Creation and Strategy Model



Efficiency drives sustained outcomes

INPUTS

Financial capital

Equity: ₹ **1,25,804 Lakhs** Debt: ₹ **70,431 Lakhs**
Retained earnings: ₹ **60,357 Lakhs**
Capital commitment as on 31st March, 2020: ₹ **24,641 Lakhs**

Manufactured capital

Number of Integrated cement plants : **2** Number of grinding units: **1**
Total installed capacity of cement production: **5.75 MTPA**
Total installed capacity of clinker production: **3.80 MTPA**
Number of thermal power plants: **2** Number of solar stations: **3**
Number of waste heat recovery plants: **1**
Total waste heat recovery capacity: **8.80 MW**
Total solar power capacity installed: **1.45 MW**
Total hydro power capacity: **8.30 MW**
Number of offices: **9** Number of warehouses: **52**
Total value of net fixed assets: ₹ **1,84,125 Lakhs**

Intellectual capital

Technology collaborations: **Taking collaboration as per development projects and as required**
Use of robotics in plant operations: **2 in running plants +2 in plants in construction.**
Total Investment in R&D: ₹ **22.42 Lakhs**
Digitalisation initiatives: **In Progress**
Unique technologies used in production including robotics for quality check
Location strategy and load-distance planning

Human capital

Employees: **2,204** Total hours of training provided: **8,129**

People employed for >10 years within SCL: **246**
Employees belonging to local communities: **~23%**

Social and relationship capital

Total CSR expenditure: ₹ **130 Lakhs** Distributors: **1,732**

Natural capital

Total limestone mine reserves: **629.22 MnT**
Limestone mined: **3.31 MnT** Total coal used: **0.25 MnT**
Freshwater withdrawal: **177246 kL**
Direct energy consumed at kilns: **16,36,950 Million kcal**
Indirect energy consumed: **11,373.72 mWh**
Solar power consumed (net): **1,767.18 mWh**
Thermal substitution rate: **4.69% (Mattampally) & 0.94% (Gudipadu)**
Fly ash consumed: **0.29 MnT**
Gypsum consumed: **0.08 MnT** Slag consumed: **0.30 MnT**

Vision & mission

Strategy and resource allocation

ACTIVITIES

Value chain

Upstream activities
- Mining
- Raw material procurement
- Inbound logistics
- Clinker production
- Grinding

Downstream activities
- Packaging
- Outbound logistics
- Distribution and marketing
- End use
- Waste collection and recycling

Support functions

- Energy management
- Human resources and administration
- IT and digital
- Quality
- Environment management
- Research and development
- Secretarial and legal
- Finance and accounts

External environment

Governance

OUTPUTS

17,98,953 T
Ordinary Portland Cement (OPC)

8,45,311 T
Portland Pozzolana Cement (PPC)

3,43,783 T
Portland Slag Cement (PSC)

12,425 T
Sulphate Resistant Cement (SRC)

136 T
Composite Cement(CC)

66,489 T
Ground Granulated Blast Furnace Slag (GGBS)

Emissions
SOx: **13.57 mg/nm3**
NOx: **360.59 mg/nm3**
Dust: **13.26 mg/nm3**
GHG: **701 kg net CO_2/ton** of Cementitious Material (Scope 1+2+3)

Solid waste
Steel scrap: **333.68 MT**
Tyres, oils, grease, and others: **51.88 MT**

Liquid waste
Zero Effluent discharge: **0**

Performance

Risk management

OUTCOMES

Financial capital
Revenue: ₹ **1,35,257 Lakhs**
EBITDA: ₹ **40,044 Lakhs**
PAT: ₹ **18,560 Lakhs**
ROE: **16%**
RoCE: **19%**
EPS: ₹**80.24**
Dividend declared: **65%**

Manufactured capital
Capacity utilisation: **53%**
Plant availability: **100%**
Increase in the production of high-margin products: **3%**

Intellectual capital
Key process improvements achieved during the year: **Improved TSR ratio, Improved Blended cements volume.**
Cost savings from digitalisation: **In implementation**

Human capital
LTIFR: **0**
Fatalities: **0**
Number of safe man-hours: **35,38,009**
Per-tonne productivity per employee: **1,392**
Employee retention rate: **90%+ in all locations**
Employees promoted: **6**

Social and relationship capital
Beneficiaries of CSR activities: **20,000** +
Vendors engaged with: **664**
Customer complaints resolved: **100%**
Credit rating: **IND A/Positive**
Contribution to the exchequer: ₹ **41,651 Lakhs**

Natural capital
Wastewater recycled: **48,611 kL**
Waste heat recovered: **40,895.47 MWh (Mattampally)**
Solid waste recycled: **8,94,495 MT**
Waste to landfill: **0**

Engaging to deliver more

At SCL, we consider stakeholder relationships as a key enabler of value creation. Regular and meaningful interactions with our various stakeholders help us draw significant insights that help us evaluate our external environment, and keep a pulse on the emerging opportunities and risks.

Our key stakeholders

Stakeholder group	Definition	How can they impact SCL's ability to create value?	How can they be impacted by SCL's ability to create value?
Providers of financial capital	Equity and debt investors and analysts	Investors can significantly affect the capital inflow to the organisation that helps it conduct its operations and scale business.	SCL creates value for investors by delivering above average return on investments via dividends and appreciation of share value.
Customers	Wholesale and retail customers	Customers drive the demand for the Company's products and services and direct the organisation's sustenance and growth.	Quality cement across different grades, made available at affordable prices, help customers meet their construction needs.
Employees	On-roll and on-contract workforce	Employees are the most important resources of a company and their combined skills and competencies drive its success.	The organisation creates value for its employees through benefits and compensation, training and career development, and taking care of their overall health and wellbeing.
Channel partners	Dealers, retailers, C&F agents, transporters	Channel partners stock and distribute the Company's products to end consumers.	The business model of channel partners is dependent on stock availability from companies such as SCL.
Suppliers	Sources of raw material, plant and equipment and other service providers	Suppliers support the company in their raw material requirements and other support functions.	The business model of various suppliers is dependent on the demand from companies such as SCL.

Stakeholder group	Definition	How can they impact SCL's ability to create value?	How can they be impacted by SCL's ability to create value?
Government, regulators and policymakers	Central and state governments and their respective ministries, stock exchanges, SEBI, RBI and other statutory or non-statutory body that can influence policymaking	Policies and regulations that impact cement manufacturing at various stages, and general functioning of the corporate sector can have a material impact on the Company's ability to create value.	Through direct and indirect taxes and contribution to larger economic value creation, SCL contributes to the government and regulators, and to the nation at large.
Community	Local communities in and around our plant operations	SCL, like any other manufacturing entity, requires a social licence to operate, which is obtained from the communities living around its area of operations.	As a responsible corporate citizen, SCL gives back to the communities via employment generation, CSR initiatives and infrastructure support.
Environment	The tangible and intangible natural ecosystem and the bodies that represent its interests (MoEFCC, IUCN etc.)	Cement being a resource-intensive industry, is heavily dependent on limestone, land, water, and energy to run its operations.	Cement is one of those industries which leave behind a large carbon and other emissions footprint, and solid and liquid waste. This has direct implications on the natural environment.
Influencers	Credit rating agencies, Sustainability/ESG rating agencies, Industry bodies such as CII and CMA, Construction professionals	With their independent analysis, the influencers could induce opinions on SCL's brand reputation, credit worthiness and can represent SCL's attributes to a larger audience.	SCL forms part of the industry they represent or the sector they may rate.

Our Mission

To be the India's most respected and attractive company in our industry – creating value for all our stakeholders.

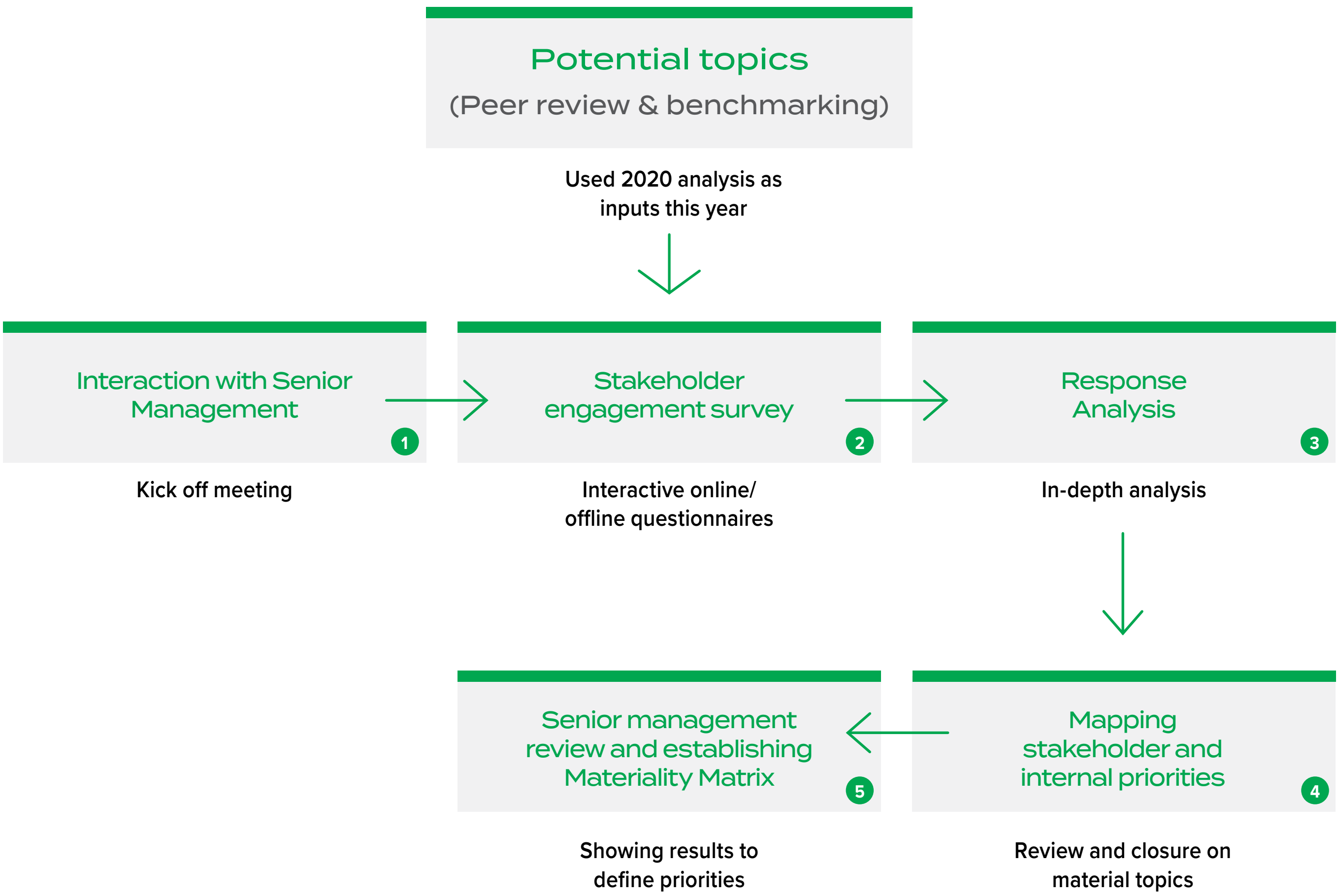
Our priorities

Last year we conducted our first materiality assessment to identify environmental, social, governance, and economic topics of concern for us. This year, we extended the assessment to our stakeholders for understanding their perspective. It was an extensive exercise, in which we engaged with internal and external stakeholders and looked at various resources for analysing topics on the horizon. These material topics will form an input for our strategy and disclosure this year and in the future.

Assessment process

The process of materiality assessment began with the topics identified last year. We extended the topics and sought views of internal and external stakeholders. We also looked at understanding material topics for peers, along with industry analysts, weightage given by rating agencies (DJSI, MSCI) and topics sought by disclosure standards (SASB, GRI standard, CDP).

Materiality assessment process



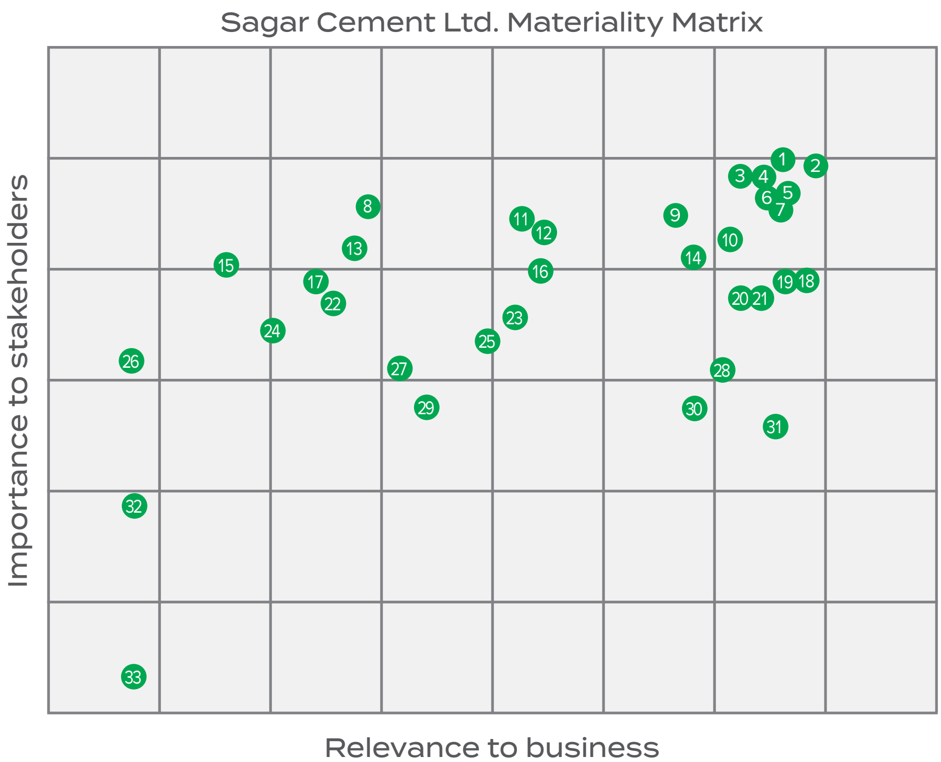
Stakeholder dialogue

It is important for us to define organisational priorities by taking views of internal and external stakeholders. In order to understand the stakeholder views, we conducted a strategic stakeholder dialogue with them for this materiality assessment exercise this year. It helped to gather views and prioritise issues for various stakeholder groups. Based on the combined inputs from stakeholder dialogue and management views, a materiality matrix was developed.

Stakeholder Categories	Responded	Contacted
Suppliers	17	30
Customers, Dealers, Channel partners	50	100
Community, Influencers and NGOs	5	15
Government, Regulators, Policy Makers	7	12
Providers of financial capital	1	20
Employees	65	100
Management	14	25
Total	159	302

Materiality matrix

Material issues were prioritised based on a combined review of inputs from internal and external stakeholders.



1. Economic performance and profitability
2. Order fulfillment
3. Fair business operations, business ethics and good governance
4. Compliance
5. Customer satisfaction
6. Brand and reputation
7. Transport and logistics
8. Waste management and circular economy
9. Interest payment
10. Tax and economic contribution
11. Benefits fair compensation and social security
12. Occupational health, well being and safety
13. Employees work-life balance and human rights
14. Return on investment
15. Local economic value creation
16. Employee relations and engagements
17. Climate and energy
18. Business growth
19. Customer acquisition
20. Technology and process innovation
21. Distribution presence
22. Responsible consumption
23. Employee training and development
24. Responsible sourcing and alternate raw materials
25. Social responsibility and engagement
26. Biodiversity management
27. Vendor engagement and training
28. Quality and reliability of suppliers
29. Supplier engagement
30. Risk management
31. Public policy and advocacy
32. Sustainable land use, relocation and rehabilitation
33. Renewable energy

Focus areas that shape our future

We have identified our key focus areas which will define the contours of our near-, mid- and long-term strategy. This allows us to channel our energy and resources in a direction that promises maximum growth and value creation. At the same time, these strategic focus areas allow us to safeguard ourselves against various external threats and strengthen our position in the marketplace.

Since growth cannot be auto-piloted, it is important to identify strategic areas that will have a multiplier effect and supplement value creation as a whole. In addition to establishing three strategic focus areas including capacity expansion, cost efficiency and technology adoption, we also look to their integration with the organisation's ESG objectives, ensuring responsible business conduct.

Our Vision

To provide foundations for the society's future

Satguru Cement Plant under construction

Key enablers for strategy

Access to resources

- Part of Nalgonda and Yerraguntla cement clusters
- Strong limestone reserves:
  - Over 404 MnT at Mattampally
  - Over 162 MnT at Gudipadu SCRL
  - Over 63 MnT at Jeerabad SCPL
- Geographic location with proximity to coal mines (major fuel) and ports
- Packing material primarily sourced from a Group entity

Growing market

- Plants located in close proximity to major markets in South India and select markets in Maharashtra and Odisha
- Average lead distance below 300 km
- Strong sales network – 1,732 dealers and 3,998 sub-dealers.
- Acquisition of SCRL and Bayyavaram plants to increase market reach and depth
- SCRL –Better margins and reach into the Southern markets
- Bayyavaram – Access to North Andhra Pradesh and South Odisha markets

Advanced plants

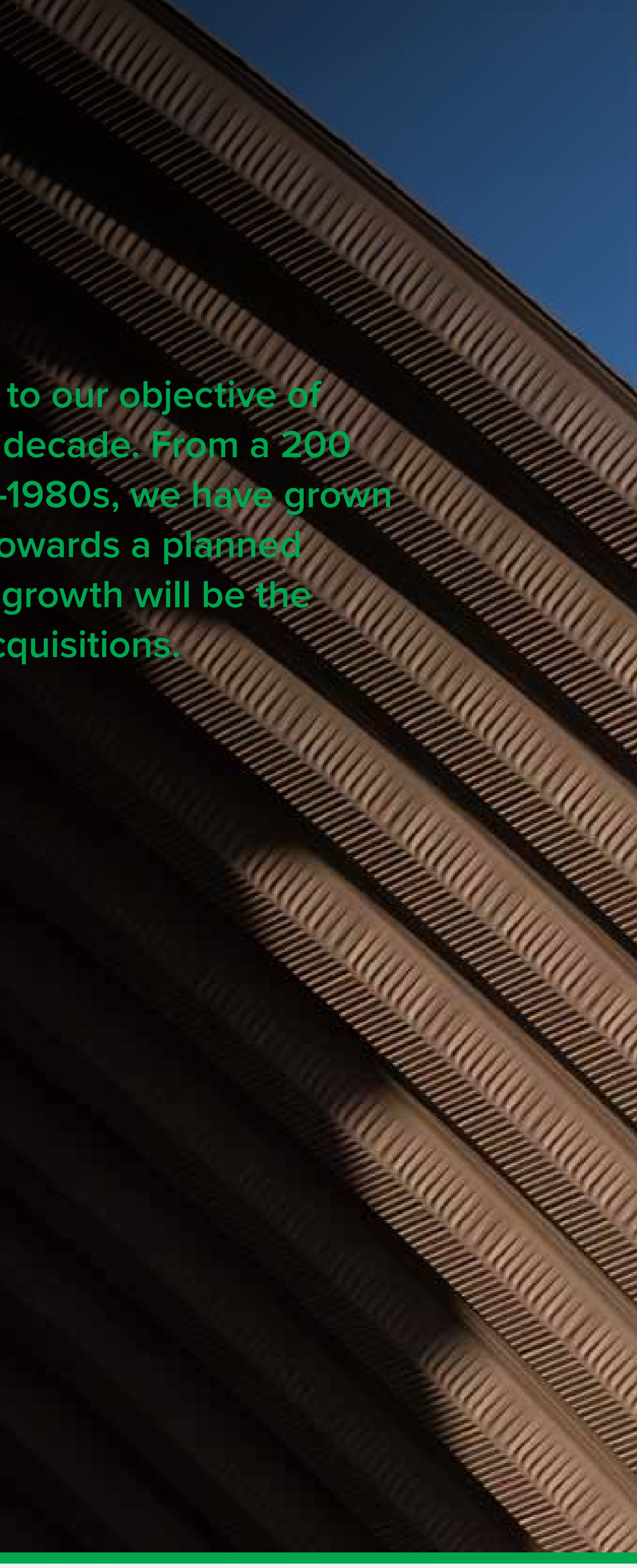
- Fully automated 3.00 MTPA plant in Mattampally
- Highly advanced 1.25 MTPA plant in Gudipadu
- Modern 1.50 MTPA unit in Bayyavaram
- Group captive power generation of 61.55 MW

Strong financials

- Net worth increased over 10x in the last seven years
- Long-term debt rating of IND A/ Positive (India Ratings)
- Consistent profits
- Unbroken track record of dividends

Capacity expansion

Since our establishment, we've remained true to our objective of expanding our capacity to twice its size every decade. From a 200 TPD (tonnes per day) manufacturer in the mid-1980s, we have grown to 5.75 MTPA today, and are further working towards a planned capacity expansion of 10 MTPA by 2025. This growth will be the result of both organic growth and inorganic acquisitions.



Business growth

₹ 42,988 Lakhs
Capex for greenfield expansion

₹ 3,137 Lakhs
Maintenance capex

Transport and logistics

295 km
Average lead distance

0
Road accidents

Distribution presence

1,732
Distributors

308
New distributors

Associated risk categories

Strategic, financial, operational, and legal and compliance

Vision to double the capacity every 10 years

1985 → 1998 → 2008 → 2015 →

1985
0.20 MTPA

1998
0.40 MTPA

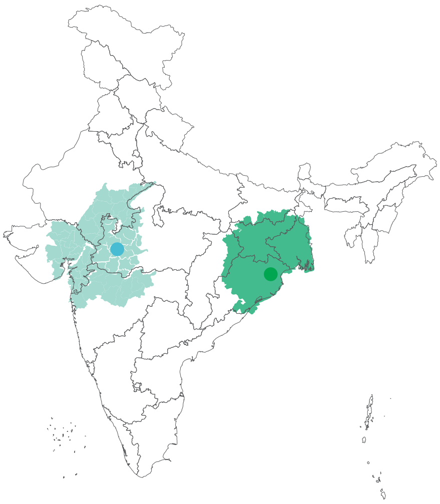
2008
2.75 MTPA
With over 30 years of quality focused operation, the Company has established strong brand in the market.

2015
4.0 MTPA
From the surplus cash flow generated through its stake sale in the Vicat, JV, SCL acquired 1 MTPA plant from BMM Cement.

Expansion plans underway

There has been growing demand for cement from the eastern states, leading us to acquire a majority stake in Satguru Cement Private Limited and complete equity stake in Jaipur Cements Private Limited. Commissioning of the projects is likely to take place in the second quarter of FY2022. We expect to meet this demand with the setting up of greenfield integrated cement plant and grinding unit in Madhya Pradesh and Odisha.

Future market potential



Satguru Cement Private Limited

West Madhya Pradesh

Maharashtra

South-East Rajasthan

East Gujarat

Jaipur Cements Private Limited

Southern Jharkhand

Southern West Bengal

North and Central Odisha

2017

4.3 MTPA

- Consolidated position in the South and made inroads in the East.
- Acquired the Bayyavaram unit in 2016 and gradually ramped up the capacity to 0.3 MTPA

2018

5.75 MTPA

- Ramp up production at the Bayyavaram Unit to 1.5 MTPA
- Ramp up production at SC(R) to 1.25 MTPA

2025

10.00 MTPA

Through Inorganic & Organic Growth

Cost efficiency

Cost rationalisation is an extremely important step to building a healthy and profitable business. Optimisation and cost efficiency are the need of the hour, and we undertake both operations and expansion into account.

Economic performance and profitability

₹ 40,044 Lakhs
EBITDA

₹ 18,560 Lakhs
Net Profit

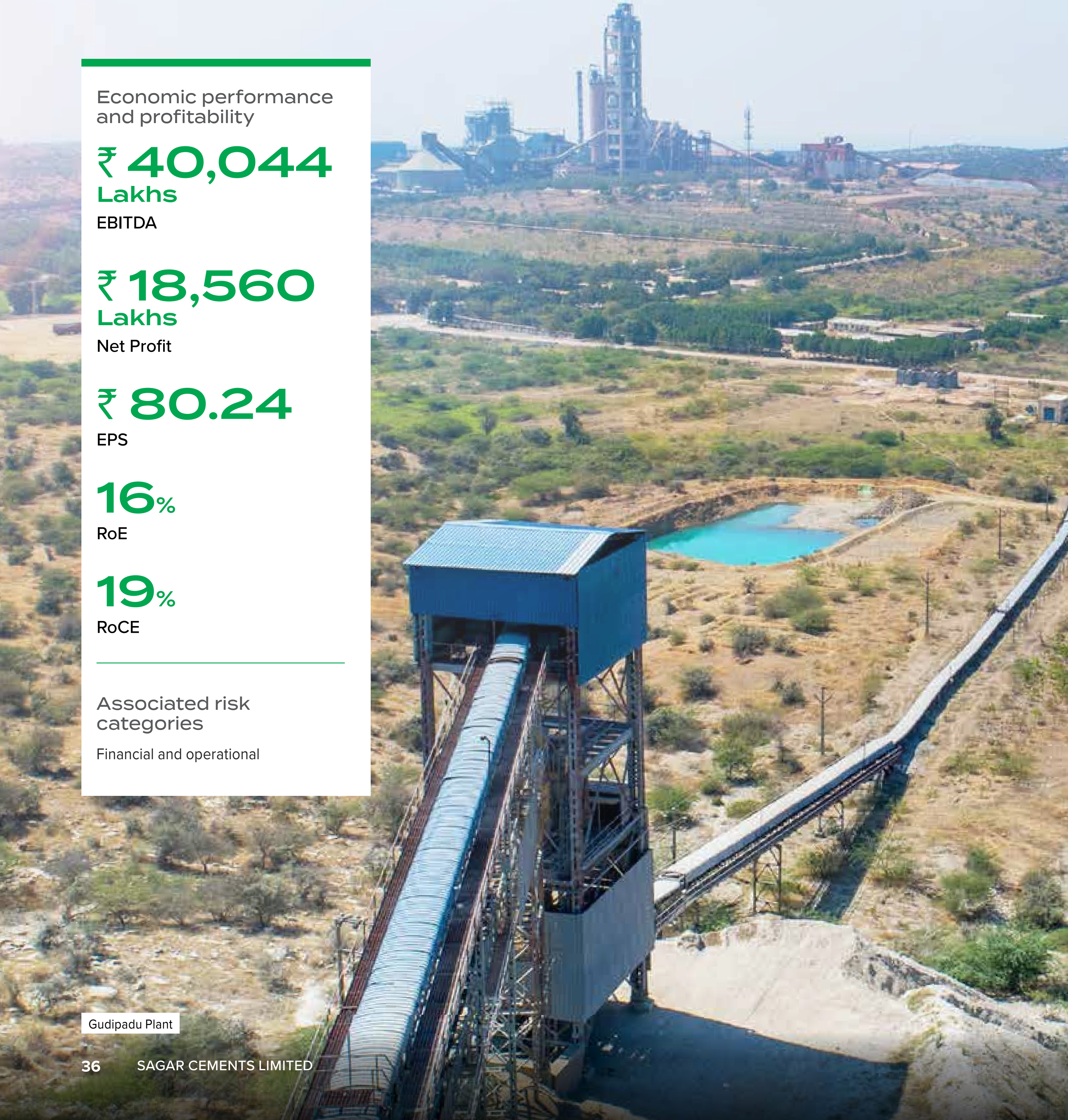
₹ 80.24
EPS

16%
RoE

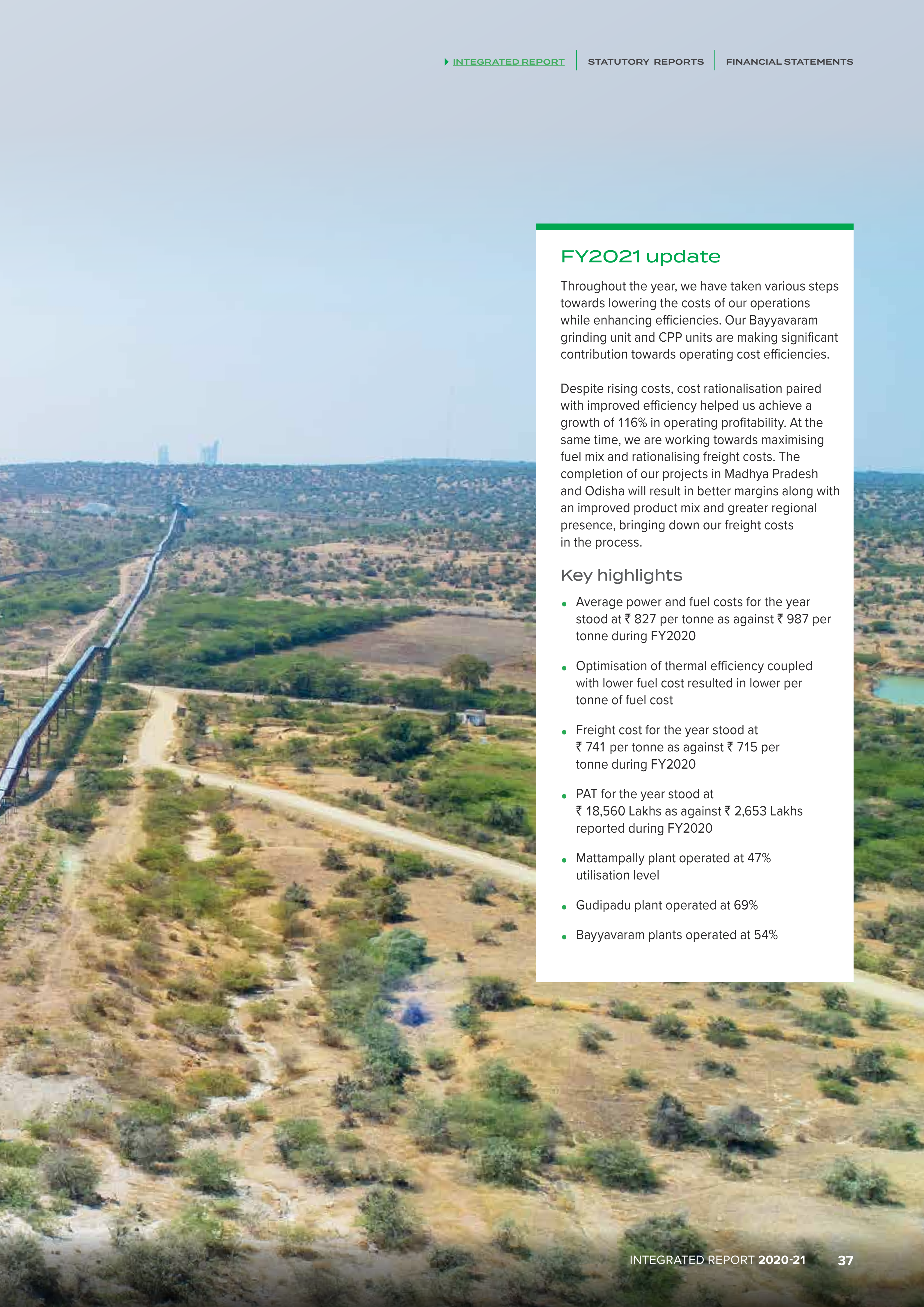
19%
RoCE

Associated risk categories

Financial and operational



Gudipadu Plant



FY2021 update

Throughout the year, we have taken various steps towards lowering the costs of our operations while enhancing efficiencies. Our Bayyavaram grinding unit and CPP units are making significant contribution towards operating cost efficiencies.

Despite rising costs, cost rationalisation paired with improved efficiency helped us achieve a growth of 116% in operating profitability. At the same time, we are working towards maximising fuel mix and rationalising freight costs. The completion of our projects in Madhya Pradesh and Odisha will result in better margins along with an improved product mix and greater regional presence, bringing down our freight costs in the process.

Key highlights

- Average power and fuel costs for the year stood at ₹ 827 per tonne as against ₹ 987 per tonne during FY2020
- Optimisation of thermal efficiency coupled with lower fuel cost resulted in lower per tonne of fuel cost
- Freight cost for the year stood at ₹ 741 per tonne as against ₹ 715 per tonne during FY2020
- PAT for the year stood at ₹ 18,560 Lakhs as against ₹ 2,653 Lakhs reported during FY2020
- Mattampally plant operated at 47% utilisation level
- Gudipadu plant operated at 69%
- Bayyavaram plants operated at 54%

Technology adoption

By investing in technology and constantly upgrading ourselves, we are able to stay ahead of the competition and add to the relevance of our operations. Our units are equipped with state-of-the-art machinery and a trained work force to operate the same. Adoption of best-in-class technology and constant innovation have helped us enhance our product mix. In order to enhance our efficiency and productivity, we take advantage of newer technologies that become available with the passage of time. Employing these, we are able to create cement of the best quality, backed by various innovations.

Technology and process innovation

₹ 748.30 Lakhs

Investment towards technology

Implementation is in progress

Cost savings resulting from technology deployment

Key highlights

Laboratory for blended cement

We have a laboratory where we employ blended cements to develop concrete mix designs. Since blended cements are not only environment friendly but also cost effective, we are able to highlight their durability to customers.

Automation

We have an online laboratory that is run by robots ensuring 100% quality control while making optimum use of resources.

Limestone crusher

We have crushers located at both our mine sites and pits. While their presence at mine site reduces dust generation and mitigates GHG impact, and having a crusher in the pit does away with the need to build a ramp. Additionally, the secondary crusher helps mitigate consumption of power by further reducing the size of limestone before the grinding process.

Waste heat recovery system

We are successful operating an 8.8 MW waste heat recovery power plant at Mattampally. Benefits incurred include better waste gas utilisation, lower energy cost and reduced environmental footprint.

Artificial Intelligence and machine learning

Increased efficiency and resource optimisation are a consequence of expert process control that is made possible by the use of AI and machine learning.

Operational technologies

These include Online Prompt Gamma Neutron Activation Analysis Analyser (PGNAA), which ensures the use of minerals of every grade, blend software to monitor and calibrate raw materials, computational fluid dynamics analysis, and variable frequency drives installed for process fans and pumps.

Opportunity landscape

As a consequence of the pandemic and subsequent lockdowns, many cement manufacturers decided to either cut down or defer their capital expenditure. This was due to the resulting fall in demand and companies looking to conserve capital. However, the cement industry has seen a comeback in the initial months of FY2021 with many players announcing expansion of capex guidance plans.

FY2021 saw a fall in cement production close to 11-13% and capacity utilization going down by 50-55%. However, the future is optimistic with the government increasing its spend on infrastructure due to its multiplier effect on the economy. In addition to greater institutional and government investment, there is growing demand in both the residential and commercial segments.

Cement production in India is projected to reach

400 MnT

by 2024, growing at a CAGR of 4%

Consumption of cement expected to grow at a CAGR of

4.5%

by 2024, outweighing the projected growth rate of production during the same period

A major hurdle that stands in the way of cement demand and supply is the second wave of the coronavirus that has impacted the country gravely. Despite this, overview of the sector in the long term is favourable.

Renewed focus of the government on infrastructure development

Infrastructure development is one of the main focus areas of the central and state governments. As the sector supplements the growth of other industries, investment in this segment has assumed critical importance. Leading from this, even before the pandemic hit the Indian economy, the Government of India had set its sights on pushing through several projects such as building 100 Smart cities. The National Infrastructure Pipeline, first announced in 2019, has been expanded to include 7,400+ projects.

₹ 5,54,000 Crores

Allocation in Union Budget towards capital expenditure for FY2022

₹ 1,00,000 Crores

The cost of 217 projects completed under the National Infrastructure Pipeline

Southern India has an incredible pool of resources and robust infrastructure. Key infrastructure projects include the Bengaluru-Chennai expressway as well as a 464 km highway passing through Chhattisgarh, Odisha and North Andhra Pradesh. Upcoming projects include 3,500 km of highway projects in Tamil Nadu at an investment of ₹ 1.03 Trillion and 1,100 km of highway in Kerala at an investment of ₹ 650 Billion.

In addition to this, there is a plan in motion to enhance the capacity of Indian Railways as well as facilities for handling and storage. This will make cement transportation more convenient and at the same time cut back on transportation and logistics cost (which is one of the biggest expenses for cement manufacturers). Cement sector demand directly correlates to the boom in infrastructure.

Additional outlay of ₹ 18,000 Crores under Pradhan Mantri Aawas Yojna (Urban)

This amount is beyond what was provided for the scheme by the previous budget of 2020-21. The funds will be disbursed through additional allocation and extra-budgetary resources. The scheme, intended to benefit the affordable housing mission of the government and boost the real estate sector will supplement the growth of the cement industry in the process.

Increased demand from affordable housing

The housing segment (inclusive of low cost housing) constitutes close to 68% of the total demand for cement. Real estate markets in Tier-1 cities and metros are opening up. A by-product of the 'Work from Home' culture is that more people are looking to buy spaces of their own as well as scale up their existing spaces. This has resulted in renewed demand for cement and building materials. Other factors having an impact and consequently influencing demand include the availability of cheap housing loans, extension of CLSS, focus of realtors on completing existing and stalled projects, etc.

Affordable houses accounted for 40% of the demand in 2020. There is growing demand for houses costing between ₹ 40-50 Lakhs in tier 2 and 3 cities. The demand for affordable housing is further supplemented by the extension of the income tax benefit by another year for both buyers and developers.

Demand driven by rural, semi-urban and retail markets

There has been increased demand from rural areas due to the increased availability of labour. Subsequently, there has also been a rise in the construction of rural infrastructure and low cost housing. During the pandemic, consumption and demand grew in the rural, semi-urban and retail markets. Demand in the retail market is driven by housing and repairs/modifications. Rural demand is believed to be the major driving force in cement consumption. One possible explanation for this could be favourable monsoons leading to greater cash inflow in the rural economy. This, in turn, has, and will continue, to lead to greater expenditure on infrastructure.

₹ 40,000 Crores

Budget allocation for rural infrastructure development in FY2022

Revival in urban India

There is a renewed demand in urban India resulting from the rise of low cost housing and increase in government infrastructure projects. Construction in urban areas picked subsequent to the initial lockdown and as a consequence of pent-up demand. Similarly, multinational corporations and the IT sector are driving the demand for commercial spaces and office parks. Another factor influencing demand is gaining momentum in the non-trade sector as construction involving institutional projects, such as building of roadways and metros, resumed. The government aims to utilise the outlay under the urban housing scheme to help commence work on 12 Lakhs houses, complete 18 Lakhs houses, and create 78 Lakhs new jobs as well accelerate demand for both steel and cement.

Availability of raw materials

Limestone, coal, minerals, and energy form the primary raw materials for cement production, and their uninterrupted supply is crucial for sustaining the cement sector. Between 2010 and 2019, coal's share in India's energy mix has grown from 40% to 44%, with coal being the single largest contributor to the fuel mix. As of today, coal accounts for nearly half the energy produced in the country. Coal supply and end use attract one-third of investments towards energy.

Coal is essential to the country's considerable steel manufacturing capabilities and the fast-advancing cement industry. Over the last decade, production of coal has grown by 100 Million Tonnes (coal equivalent). Investment has doubled with the government's objective of eliminating imports. The objective of reaching 1.5 Billion Tonnes in terms of production has been pushed back due to supply related challenges. Investment by domestic players is increasingly low in capital due to considerable overcapacity in the coal value chain. India has evolving energy demands but the impact of emissions is weighing in on coal production and use. There is greater competition from renewable energy sources and primarily solar power. In addition to this, the quality of coal produced in the country is relatively low and the pandemic has only fuelled the challenges faced by the segment.

SCL's advantage

We have strong reserves of limestone, including over 404.21 Mnt at Mattampally, over 161.96 MnT at Gudipadu (SCRL) and 63.047 Mnt at Jeerabad (Satguru). We also have easy access to fuel i.e. coal, while our packaging material is sourced from a Group entity.

17.68%

Renewable raw materials utilised.

Material consumption 2020-21 (MnT)

Main Raw Material	
Lime Stone	32,36,918
Lime Stone (Purchased)	2,007
Lime Stone (PI) in OPC	66,396.75
Clinker	5,50,561.475

Additives	
Iron Ores	25,309
Laterite(Fe)	1,37,306
Laterite(Al)	76,708
Mineral Gypsum	8,615.641

Approach to risk management

We understand that in order to minimise the frequency and subsequent impact of risks, we first need to identify, understand and then set in place mitigation measures for these risks. In light with this purpose, we have established an elaborate yet efficient system of risk governance. In order to ensure the relevance of the system, we regularly review and update risks and processes.

Guiding principles

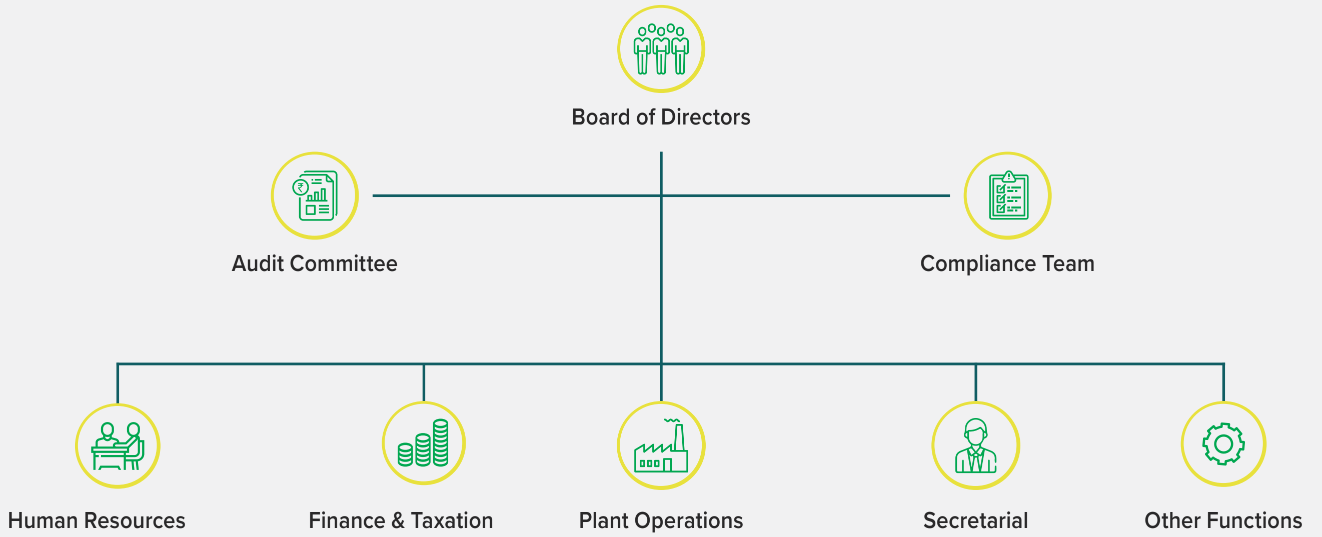
At SCL, we maintain a principles-based attitude to risk management. These principles ensure that our risk management is:

1. **Shareholder value based:**
   Risk management will be focused on sustaining the creation of shareholder value and protecting the same against erosion.
2. **Embedded:**
   Risk management will be embedded in existing business processes to facilitate management of risks across processes on an ongoing basis.
3. **Supported and assured:**
   Supported and assured: Risk management will provide support in establishing proper processes to manage current risks appropriately, and assure the relevant stakeholders of the effectiveness of these processes.
4. **Reviewed:**
   The effectiveness of the risk management programme will be reviewed on a regular basis to ensure its relevance in a dynamic business environment.

Approach to risk management

We have adopted a top-down approach for identifying and managing risks at the overall entity level. In the top-down approach, the principle challenges impacting the achievement of the organisational objectives have been articulated. Accordingly, the risk library comprises key strategic and business risks applicable. Initially, mitigation plans would be drawn up only for Risks That Matter (RTM), which would then be extended to all the risks identified over a period of time.

Governance framework



Our risk team is headed by the CEO/CFO and comprises all heads of processes together with the Company Secretary. The team reviews the day-to-day risks of the organisation. It also conducts a risk review meeting once a quarter to analyse the effectiveness of the risk mitigation plan, the new set of risks identified and their mitigation strategy.

A report on the status of remediation plans and the current RTM is presented to the Audit Committee every quarter. An annual status of risk management, along with the status of risk remediation plans, is also presented to the Board of Directors by the CEO/CFO on an annual basis.

Risk management process

Effective risk management process requires consistent assessment, mitigation, monitoring and reporting of risk issues across the full breadth of the enterprise. Essential to this process is a well-defined methodology for determining corporate direction and objectives. At SCL, this entire process is aligned with annual budgeting processes and each business function is required to present the results of the risk management exercise as a part of their respective budget presentation.

Our risk management process consists of three broad steps:

1. Risk assessment and reporting
2. Risk mitigation
3. Risk monitoring and assurance

Each step has its own detailed sub-steps that ensure that risk management is methodically undertaken, and regularly reviewed and improved upon.

Classification of risks

The four major types of risk categories that we have established include strategic risks, financial risks, operational risks, and legal and compliance risks. Once we have identified the various risks under these categories, we begin the process of monitoring these risks and mitigating their impact.

STRATEGIC RISKS

The strategic focus of the organisation is driven by stakeholder expectations, industry outlook, market dynamics, and the way the organisation is governed and guided. This category covers the risks that may impact the strategic focus and future of the organisation.

Stakeholders

The stakeholders of an organisation usually comprise its shareholders, customers, suppliers, business partners, the community in which it operates and the government (including regulatory bodies). This category, therefore, covers the risks relating to shareholder confidence, changes in government policies, over-dependencies on customers and suppliers and ineffective business partnerships.

Governance

Governance signifies the way an organisation is led and managed in the pursuit of its objectives. This category would cover risks that may arise due to inappropriate strategic focus/direction or resource allocation, inadequacy of business monitoring, actions impacting the reputation of the Company or the improper/immoral conduct of employees.

Market structure

Market structure refers to the dynamics of the industry, country and economy in which the organisation operates. This category would include risks arising due to adverse changes in the economic, political, social or competitive environment in which the organisation operates as well as its ability to influence the market structure.

FINANCIAL RISKS

Financial risks include risks relating to the manner in which a Company raises and manages its finances, plans its taxes and reduces uncertainty due to market movement of currency, interest rates and commodity prices. This category of risks also includes risks arising due to frauds and errors.

Capital structure

Capital signifies the monetary resources an organisation requires to sustain its operations and fuel its future expansion. This category covers risks that may impact the organisation's ability to acquire an appropriate and cost-effective mix of resources in line with its requirements.

Liquidity and credit

Availability of funds for day-to-day operations is a key requirement for the smooth functioning of an organisation. This category would covers risks that may arise due to insufficient realisations and/or improper management of funds to further current and future business objectives.

Market

Markets represent a buyer/seller network for the exchange of capital, credit and resources. This category includes risks emanating from adverse commodity price changes, exchange rate movements and interest rate change.

Fraud and error

A fraud involves the use of unjust or illegal means to gain financial advantage by intentional misstatements in, or omissions of amounts or disclosures from, an entity's accounting records or financial statements. It also includes actions, whether or not accompanied by misstatements of accounting records or financial statements, committed for personal gains. On the other hand, an error is an unintentional misrepresentation of facts. This category covers risks that an organisation may face in the event of a fraud or error, with or without collusion with external parties.

Taxation

Tax, cess or duty is a compulsory charge levied on the income, sales, property, etc. of an organisation. This category covers risks emanating from an inefficient structuring of business transactions (within the constraints of the applicable rules and regulations) from a taxation perspective (both direct and indirect), which may result in excessive financial outgoes or benefits not being availed.

Exchange rate fluctuations

Company's business activities interalia include import of materials such as coal and pet coke, and capital equipment such as machineries for mining, cement manufacturing, power generation plants, and so on, which are linked to international prices and major international currencies. As a result, we are exposed to exchange rate fluctuations on imports and exports. The impact of these fluctuations on the Company's profitability and finances is considered material.

OPERATIONAL RISKS

Operations refer to the activities of the organisation in harnessing its resources to execute its business model. This category of risks includes risks related to resources and processes, which come together to create products and services that satisfy customers and help achieve the organisation's quality, cost and time performance objectives.

Process

An organisation undertakes business processes to create products and services and deliver them to customers. This category includes those risks that arise due to inefficiencies in, or interruptions to, these processes.

Human resources

Employees and managers help manage the organisation, leverage its assets and operate its business processes. This category includes risks related to the inappropriateness of the organisation structure, inadequacies in training and development of employees, attrition, inadequate succession planning and lack of requisite knowledge, skills and attitude of the employees which may impact the successful execution of the organisation's business model and achievement of critical business objectives.

Assets

The assets of the organisation are the physical and intellectual resources available to it that facilitate its business processes in the achievement of its objectives. This category includes risks that have an impact on the availability and value of the organisation's assets, including plant, property and equipment, IT systems and intellectual property.

Information and knowledge

In the course of business operations, an organisation captures information and creates knowledge. Knowledge and informational risks are those that arise due to inefficient capturing, utilisation and protection of knowledge.

Crisis

Crisis emanating from natural calamities or manmade disasters is inherent in the business. Crisis risks cover risks that arise due to earthquake, floods, drought, terrorism, hostile community action and similar events as well as factors such as sabotage by employees, hostile government action and their implications, resulting in business discontinuity, disruption of operations, loss of valuable customers, and other such results.

LEGAL AND COMPLIANCE RISKS

The organisation operates in a legal and regulatory framework that imposes certain obligations on it and helps protects its rights. This category of risks includes risks that arise when an organisation is unable to fulfil its legal obligations or protect its rights.

Legal

Legal risks arise when an organisation does not comply with its enforceable commitments to counterparties or is unable to enforce its rights against counterparties. These risks would include exposure of the organisation to litigation or its inability to protect its rights through litigation. It will also include exposure on account of inadequate representations and warranties from third parties for fulfilling their obligations arising out of the legal agreements entered into with them.

Regulatory

Regulatory risks are those that arise on account of regulations imposed by the government which may affect the organisation's competitive position or its capacity to efficiently conduct business. This category also includes the risks of penalties and prosecution that may arise on regulatory non-compliance.

AHEAD

At SCL, we operate a conscious and conscientious business, thinking ahead and fostering an inclusive and long-term approach. Preserving the environment, contributing to the well-being of our employees and progressing with our communities are imperative to our way of running a responsible enterprise, backed by best-in-class governance practices.

Environmental, Social and Governance (ESG)

Naturally responsible

In order to protect the environment, we follow a precautionary approach. We take steps to prevent environmental degradation. With the help of technology and process innovation, we have been able to conscientiously bring down our environmental footprint, helping preserve the world for future generations. The process of cement production is resource and energy intensive, and results in substantial waste generation. Hence, we are constantly thinking of new ways to mitigate this impact, optimise resource use and manage waste generation effectively. We comply with all applicable environmental laws and regulations.

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION
15 LIFE ON LAND

Gudipadu Plant

Safeguarding biodiversity

5
Green belt sites

199.75 acres
Green cover at the sites

We strategically assess the impact of operations and the biodiversity of the region before embarking on projects and mining. Once mines are closed, we rehabilitate the mine sites by planting native flora so that the natural ecosystem is reinstated. We also support conservation initiatives in the area.

We are cognisant of conforming with sustainable mining practices and employ controlled basting to mitigate dust, noise and emission. We also add to the fauna surrounding our quarry sites, manufacturing facilities, residence, and nearby areas.

Energy conservation

2,36,637 MWh
Total energy consumption

79.15 KWh/ton
of Cementitious Material

27%
Renewable Energy consumption

1767.18 MW
Solar Power Consumption

In order to mitigate our impact and minimise energy use and costs, we rely on a fuel mix that includes both renewable and non-renewable energy. Innovative practices together with the use of best-in-class technology help supplement energy production while keeping costs, waste and environmental degradation to the minimum.

Source of energy	Installed capacity	Location
RENEWABLE		
Solar	1.25 MW	Mattampally, Telangana
	80 KW	Corporate office, Hyderabad, Telangana
	120 KW	Bayyavaram
Hydro electric	4.30 MW	Guntur, Andhra Pradesh
	4.0 MW	Kurnool, Andhra Pradesh
WHRS	8.80 MW	Mattampally, Telangana
Renewable total	18.55 MW	
NON-RENEWABLE		
Thermal	25 MW	Gudipadu, Andhra Pradesh
	18 MW	Mattampally, Telangana
Non-renewable total	43 MW	
TOTAL	**61.55 MW**	

Mitigating emissions impact

Greenhouse Gases (GHG), SOx and NOx are some of the primary emissions that are generated during the production of cement. In addition to complying with all prevalent standards, we proactively mitigate the impact of such emissions through the usage of state-of -the-art technology, innovation, high-end equipment and machinery that cut down emissions. One of our objectives is to decarbonise our footprint by 15% by FY2023.

Carbon emissions in the past three years (tCO_2e)

Year	FY2021	FY2020	FY2019
Scope 1	**18,84,489**	20,30,741	20,64,650
Scope 2	**44,541**	74,012	1,09,666
Scope 3	**69,450**	72,981	92,186
Total	**19,98,480**	21,77,734	22,66,503

GHG emissions intensity

701 Kg net CO_2/ton
Cementitious Material

13.57 mg/nm³
SOx emissions

360.59 mg/nm³
NOx emissions

13.26 mg/nm³
SPM

GHG emissions reduction:

- Usage of alternate fuels to reduce dependence on carbon-based energy sources
- Installation of energy-efficient equipment to control energy intake
- Green belt development to achieve carbon sequestration
- Reduction in clinker factor
- Regular maintenance of vehicles to optimise fuel consumption
- Opting for bulk transport and rail transport wherever possible to reduce the overall carbon footprint

Dust, NOx and Sox emissions reduction:

- Replacement of the conventional bag filter with Polytetrafluoroethylene (PTFE) coated filter bags in identified areas
- Installation of the latest generation Reverse Air Bag House (RABH) for main stack to handle kiln and raw mill (vertical roller mill) gases
- NOx control pre-heater technology for line-2 kiln
- De-dusting and prover coverage of cargo to avoid air pollution

Responsible water consumption

Water is a crucial resource that needs to be carefully used, re-used and conserved where possible. We aim to achieve water neutrality across our operations and our sites.

1,77,246 KL
Freshwater withdrawal

48,611 KL
Wastewater recycled

100%
Industrial water requirements met by harvested rainwater.

Zero
Liquid discharge

0.10 KL/ton
Cementitious Material Specific water consumption

Water use at SCL (KL)

Source of water	Quantity consumed in FY2021	Quantity consumed in FY2020	Quantity consumed in FY2019
Harvested water	1,34,218	1,34,390	1,80,051
Bore well	1,77,246	1,93,178	2,64,207
Total water	3,11,464	3,27,568	4,44,258
Cement production	30,67,099	30,44,236	32,54,038
Specific water consumption (kL/t of cement)	0.10	0.11	0.14

In order to minimise water usage, mitigate pollution and reuse where possible, we have adopted the following initiatives:

- Zero liquid discharge
- Upgradation of water-efficient technologies
- Rainwater harvesting in plants, mine and colonies
- Installation of a softener plant
- Installation and upgradation of Sewage Treatment Plants (STPs)
- Building awareness among employees and communities

Waste management

We aim to mitigate the harmful impact of our operations on the environment by effectively managing both hazardous and non-hazardous waste generated by our operations.

Total hazardous waste disposed

Type of waste		Unit	FY2021	FY2020	FY2019
Waste lubricant oil	Generated	l	**27,740**	37,279	24,104
	Consumed		**22,210**	28,879	13,544
	Sold		**5,530**	8,400	15,460
Waste grease with cotton waste	Generated	kg	**6,442**	5,363	1,971
	Consumed		**2,970**	1,403	1,971
	Sold		**3,472**	3,960	0
E-waste	Generated	kg	**401**	231	1,250
	Disposed		**401**	167	1,250

Total non-hazardous waste disposed

Type of waste	Unit	FY2021	FY2020	FY2019	Disposal mechanism
Metal scrap	T	**333.68**	739.40	946.43	Sold to third party
Belt scrap	T	**7.00**	60.24	16.30	Sold to third party
Office, in-house packing and socked cotton	T	**0.00**	9.62	8.70	Processed in kiln
Tyre scrap	Numbers	**0.00**	4	37	Sold to third party
PP Scrap	T	**44.88**	50.44	43.44	Sold to third party

We are able to collect the solid waste that is generated during our operations through methods such as RABH, Precipitator (ESP) and blast furnaces. Subsequent to this, the waste is reinjected into our operations to achieve resource conservation and minimise waste generation.

Raw material optimisation

3.31 MnT
Limestone mined

We employ hi-tech mining equipment for mineral extraction and ensure strict compliance with existing regulations on mining. We use advanced software such as CBX and Ramco to ensure resource optimisation by blending low-grade limestone with high-grade limestone, leading to zero rejects from mines. At the same time, we use high grade coal and pet coke for fuel in clinker manufacturing.

PPC manufacturing utilises the fly ash that is generated from CPP. Similarly, slag and gypsum are consumed in our operations. Other waste generated from plant maintenance such as used oil and metal scrap are disposed off in a responsible manner in compliance with regulatory guidelines.

Effluents

In line with our objective of Zero Discharge, we are able to prevent our waste and effluents from contaminating water bodies. For this purpose, we constantly upgrade our existing Sewage Treatment Plants and install new STPs whenever there is such need.

Waste-to-landfill

During the reporting period, all waste generated by our operations were responsibly handled and no hazardous waste was directed to landfill.

Circular Economy

In addition to this, we also process waste from other industries, which is co-processed at SCL (in MT).

Waste from Other Industries

Type of waste	FY2021	FY2020	FY2019
Red Mud	9,336.00		
Bed Ash from CPP	3,204.15		
Blast Furnace Slag – Dry	2,48,980.08	1,57,414	3,05,786
Chemical Gypsum	76,529.87		
Fly Ash from CPP	32,720.39		
Fly Ash Out Source	2,53,893.02	2,52,506	2,65,131
Blast Furnace Slag – Wet	49,871.44		
Iron Sludge	2,441.00		
Alternate Fuels	17,835.10		
Spent carbon	6,921.00	3,950	3,141
Carbon black	835.10	2,010	179

Industrial waste utilised

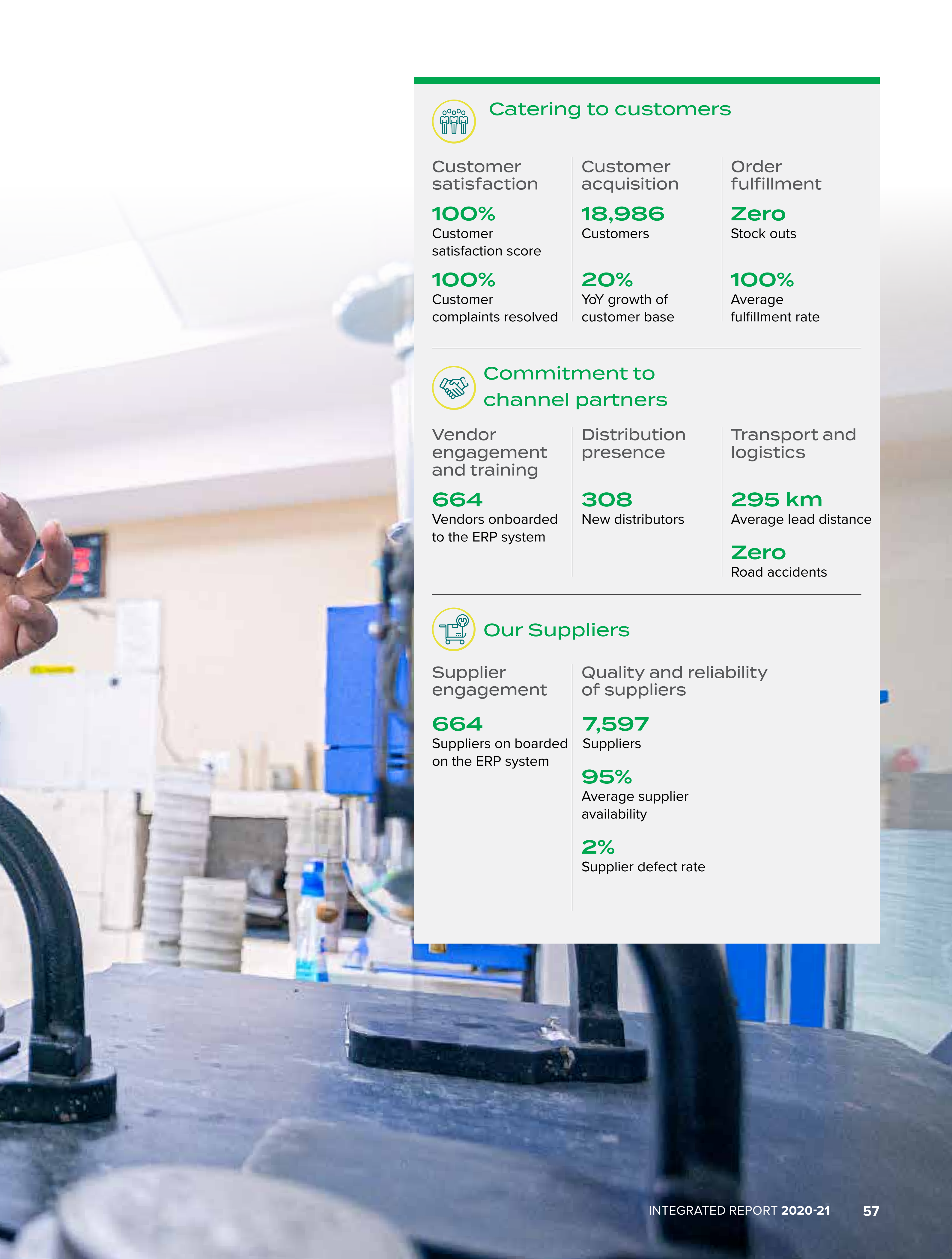
2,89,818 MT
Fly ash consumed

2,98,851 MT
Slag used in cement production

76,530 MT
Gypsum consumed

Staying committed

At SCL, we aim to meet the requirements and aspirations of all our stakeholders including employees, customers, suppliers, and communities. From ensuring the quality of our products, maintaining a sustainable supply chain, investing in communities for the enhancement of livelihood opportunities, to promoting talent for building a safe work environment, we ensure our commitment to both partners and beneficiaries in our journey towards sustained value creation.



Catering to customers

Customer satisfaction

100%
Customer satisfaction score

100%
Customer complaints resolved

Customer acquisition

18,986
Customers

20%
YoY growth of customer base

Order fulfillment

Zero
Stock outs

100%
Average fulfillment rate

Commitment to channel partners

Vendor engagement and training

664
Vendors onboarded to the ERP system

Distribution presence

308
New distributors

Transport and logistics

295 km
Average lead distance

Zero
Road accidents

Our Suppliers

Supplier engagement

664
Suppliers on boarded on the ERP system

Quality and reliability of suppliers

7,597
Suppliers

95%
Average supplier availability

2%
Supplier defect rate

Our responsibility to communities

₹130 Lakhs
CSR

20,000+
Beneficiaries

CSR Spend Breakup (%)

35% Preventive healthcare and promotion of safe drinking water

38% Rural development

7% Training and education

20% Training and promotion of sports

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

We are constantly widening the focus of our CSR initiatives which are targeted at creating more resilient communities through the promotion of healthcare, sports, education, and livelihood choices.

Some of the initiatives undertaken by us:

- Established the Sagar Vidya Mandir in Mattampally to provide education and give children a place to learn and grow. We also distributed books and stationary during the year.

- Established a medical centre in Mattampally that provides primary healthcare for the communities

- In addition to conducting various health camps, we have established an ambulance facility for villagers. We also hold free eye camps for truck drivers and support staff
- Provision of clean drinking water and irrigational support at facilities in Mattampally

Taking care of our people

At SCL, we believe that it is the passion and commitment of its people that propel an organisation towards success. We owe our success to our people and ensure that we are able to enhance employee experience while promoting their learning and development that help them meet their career aspirations. We treat our people with equality and respect, irrespective of gender, caste, race, ethnicity. In doing so, we make no distinction between our regular and contractual staff.

Engaging with employees

90% Employee retention ratio	**2,204** Total number of employees(including contract workers)	**75** New hires

Employee incentives

In addition to a learning conducive work environment, we provide our employees with a number of amenities, including residence and recreation, healthcare and medical insurance, Group Term Life Insurance, Group provident fund, assistance in getting credit, fair compensation and other benefits.

Open-door policy

In order to build a transparent culture within the organisation and ensure that all voices are heard, we have adopted an open door policy where employees can freely approach the management and senior leadership.

Rewards and recognition

We are quick to recognise and reward top performers and acknowledge the contribution our employees make towards the success of the organisation. We ensure a fair assessment, we have a points-based reward system. In addition to this, we issue corporate gifts and recognition through awards.

Training and development

8,129
Total training hours

576
Employees trained

152
Safety trainings conducted

734
Safety induction sessions

2,204
Total number of employees

75
New hires

To ensure that our employees are equipped with the relevant skills required for a competitive dynamic market, we host training sessions and workshops on subjects spanning from safety and technical behaviour to organisational behaviour and culture, which are usually conducted by industry experts.

Programs for upgrading employee skills and transition assistance

- Training in Energy Management, Environment Management and waste Management.
- Onsite safety training by National Safety Council team.
- Onsite training on energy and utility management provided by CII team.
- Onsite training on efficient and safe operation of power plants by Venus energy audit systems.
- Training and Financial support for appearing Energy Manager / Energy Auditor Certification examination being conducted by BEE (Bureau of Energy Efficiency)
- Inhouse training provided by external experts on solar power plant & waste heat energy power plant operations.
- Onsite training provided by CII Experts on waste material management and consumption in cement process.

Employee work-life balance and human rights

₹ 7,636 Lakhs
Total value of employee benefits disbursed in FY2021

2,204
Employees covered under social security schemes

We give our employees the benefit of a secure livelihood and provide them fair compensation and an open, inclusive and diverse work environment. Term insurance, accidental insurance, mediclaim, EDLI benefit, Workmen compensation, gratuity and leave encashment are benefits provided to full time employees. Notice Period is 3 months for employee separation from the organization and 7 days for internal transfer.

New Hires by Age & Gender (2020-21)

Age Group	Male	Female
<30	31	0
30-50	40	1,250
>50	4	1,250

Employee Attrition by Age & Gender (2020-21)

Age Group	Male	Female
<30	14	
30-50	29	
>50	17	1

Diversity of governance bodies and employees (by gender and age) (2020-21)

Gender Diversity by Management Category	Male	Female
Junior Management	632	7
Middle Management	111	0
Senior & Top Management	41	0

Employee strength by Age and Gender (2020-21)

Age Group	Male	Female
<30	96	1
30-50	509	6
>50	179	0

Board strength by Age and Gender (2020-21)

Age Group	Male	Female
<30		
30-50	3	1
>50	3	2

Occupational health and safety

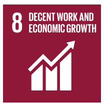
Zero
LTI (Mattampally)

Zero
LTIFR (Mattampally)

Zero
Fatalities

35
Near-miss incidents

35,38,009
Safe man-hours



Given the nature of our operations, occupational health and safety is critical to our work processes. It is important that our employees feel safe and secure in their work environment. Hence we retain a steady focus in health and safety training while ensuring their emotional well-being. We are a compliant organisation and ensure that we meet industry standards with regard to safety processes, and other rules and regulations that safeguard our employees.

Occupational Health and Safety Management System has been implemented and certified to ISO 45001-2018 standard, AP Fire Rule(NBC) -2016 Guidelines, Factory Act 1948, Andhra Pradesh Factories Rules 1950, Boiler Act 1923 Guidelines & Petroleum Act 1934 & Rules 2002.

Our safety trainings programs include, Monday safety gate meet, following safety systems Like PTW, LOTO, JSA, HIRA. We ensure 100% usage of PPE. We are conducting toolbox talk regularly in every section. We are motivating all levels of employees from manager level to casual labour level to follow safety measures in their duty and to wear suitable PPE compulsory. We are supervising work location and maintain house keeping. We are monitoring worker activities as per Standard Operating Procedures (SOP). Related SOP's are displayed in local language "Telugu" at required places. We are conducting periodic checking of machinery and vehicles.

We identify hazards and associated risks and subsequently establish procedures for the elimination of safety risks and hazards. We are addressing all the high consequence routine & non-routine jobs with a "Hazard Identification Risk & Assessment (HIRA) procedure set up. We are following hierarchy control system. HIRA is carried out for all departments based on the HIRA procedure for the company.

If any person is having work related affect, proper counselling is given by Occupation Health Centre(OHC) Medical Officer stationed at the plant. Annual Medical check-up is conducted and suitable Medical Treatment is given if required.

If any incident occurred, an Investigation Team analyzes root cause and suggests corrective action. Incident Investigation report is prepared and shared with the management.

At the time of joining, safety Induction training is given to all employees on all important safety aspects. As per Annual Training Calendar, different types of training classes are conducted for Work at height, Hot work and confined spaces. At SCL, the following comprise our OHS function:

- Strategies and action plans with quantitative targets for improvement
- Health and safety management with the involvement of the individuals concerned
- Comprehensive training programme on health and safety
- Continuous improvement by regular review of all safety procedures and systems of work
- Periodical health check-ups to ensure employee well-being
- Safety park to instill a safety culture and train employees, visitors and others on desired safety practices

Inspiring to perform

At SCL, we are led by an able and experienced leadership who bring to the table their collective expertise and insight. The Board and its committees uphold best practices, ensure ethical business conduct and provide strategic direction to the Company.

Zero
Whistle-blower cases

Zero
Corruption/bribery cases received versus resolved

₹ 41,651 Lakhs
Total contribution to Government exchequer

Zero
Notices received on non-compliance

Board profile

We are guided by our strong and diverse Board that sets our long-term vision and strategic direction. Their prudence navigates our way forward.

37.5
% of Independent Directors

3
Female representation on Board

57
Average age of Board members

1 2 3 4

1 K. Thanu Pillai

Chairman and Independent Director

K. Thanu Pillai started his career with State Bank of Travancore (SBT), in the year 1958, and was vested with varied assignments. He has rich operational experience and has demonstrated much appreciated performance throughout his long-standing career and in 1997, he was elevated to the position of Chief General Manager at SBT and was deputed to other associate banks of State Bank of India. In February 1992, he was designated as Managing Director of State Bank of Hyderabad, Hyderabad.

2 V. H. Ramakrishnan

Independent Director

V. H. Ramakrishnan has extensive experience spanning over 35 years in both domestic and international banking with his long stint with Bank of India (BOI), from where he retired as the General Manager in April 2001. During his tenure at BOI, he headed various departments such as International Operations, Comptrollers Department, Treasury and Subsidiaries.

He also has significant international banking exposure, first as Manager Nairobi Branch and then as Executive Director of Allied Bank of Nigeria Ltd. Post retirement he was a Shareholders' Director in Andhra Bank for 6 years from 2006-12. He was also a director in a few companies as Nominee of UTI and IDBI. Canara Bank had also appointed him as a director in their Joint Venture Canara Rebeco AMC Ltd for a period of about 4 years.

Mr.Ramakrishnan is a Chartered Accountant and a Cost Accountant.

3 O. Rekha

Independent Director

Mrs.O.Rekha holds a B.Com degree from Osmania University and M.B.A. from Samford University, USA and is an Associate Member of the Institute of Chartered Accountants of India. She has worked in a Directorial capacity in Fur Fur Chemical Private Limited and Swan Vacuum Systems Private Limited and serves as a director on the board of VA Champ Industries Private Limited and Sagar Cements (R) Limited.

4 N. Sudha Rani

Nominee Director – Andhra Pradesh Industrial Development Corporation (APIDC)

Smt.Naga Sudha Rani, Nominee Director from APIDC, who is currently positioned as Manager (EPM & Accounts) in TSIDC, a demerged company of APIDC.

5 Dr. S. Anand Reddy

Managing Director – Promoter Group

As part of the promoter group, Dr. S. Anand Reddy joined SCL as our Director (Marketing and Projects) in 1992. At present, he is the Managing Director of the Company. Under his guidance, SCL has emerged as one of the most economical cement plant in Telangana. In the year 2008, he was appointed as the Joint Managing Director and later as Managing Director in 2018.

6 S. Sreekanth Reddy

Joint Managing Director – Promoter Group

As part of the promoter group, S. Sreekanth Reddy joined SCL in 2002 as a Technical Consultant and was later appointed as a Director. In 2008, he was appointed as an Executive Director and in 2018, as our Joint Managing Director. During his tenure, SCL grew its capacity from 1.32 Lakhs TPA to 57.50 Lakhs TPA and witnesses the adoption of modern technology in all areas of its operations.

7 John-Eric Bertrand

Non-Executive Director

John-Eric Bertrand is a member of the Executive Committee of Ackermans & van Haaren. AvH is a diversified listed group focused on a limited number of strategic participations. The group, founded in 1876, is part of the BEL20 index of Euronext Brussels. John-Eric is active at AvH since 2008 and acts as Chairman or board member of several companies including CFE, DEME, Agidens, Manuchar, Extensa Group and Telemond. Before joining AvH, John-Eric worked as a Senior Consultant at Roland Berger Strategy Consultants (2006-2008) and as Senior Auditor at Deloitte (2001-2004). John-Eric graduated magna cum laude as a Commercial Engineer from University of Louvain (UCL) and obtained a master's degree in International Management from the Community of European Management schools (CEMS).He also holds an MBA from INSEAD.

8 Van Nieuwenborgh Jens

Alternate Director to John-Eric Bertrand

Jens Van Nieuwenborgh holds a master's degree in Civil Engineering from the University of Ghent and an MBA from Harvard Business School. He is an investment manager at Ackermans & Van Haaren since September 2014. He previously worked at McKinsey & Company as associate partner. He serves as a Director with AvH Resources India Pvt. Ltd. and Boston Ivy Healthcare Solutions Pvt. Ltd.

9 Smt. S. Rachana

Non-Executive Director – Promoter Group

Smt. S. Rachana is an Executive Director in Panchavati Polyfibres Limited and a Promoter Director of RV Consulting Services Pvt. Ltd.

Management Profile

Our able and efficient senior management is responsible for overall organisational performance, delivering on strategy and ensuring business continuity.

Dr. S. Anand Reddy

Managing Director

Dr. S. Anand Reddy brings with him a vast experience of more than 30 years. He has a M.B.B.S. degree from Nagarjuna University. He joined SCL as Director (Marketing & Projects) in 1992 and has risen to the current position of Managing Director. Mr. Reddy is also a Director at Panchavati Polyfibres Ltd., Super Hydro Electric Pvt. Ltd., Jajpur Cements Pvt. Ltd, and Satguru Cement Pvt. Ltd.

S. Sreekanth Reddy

Joint Managing Director

S. Sreekanth Reddy brings with him more than 20 years of industry experience. He has a bachelor's degree in Industrial and Production Engineering and has a diploma in Cement Technology. He joined SCL in 2002 as its Technical Consultant and was later appointed as its Director. Under his guidance, SCL has emerged as one of the most sustainable cement plants in Telangana.

K. Ganesh

Group President

K. Ganesh comes with a rich experience of more than 35 years in project execution and operations of cement plants. He holds a Bachelor's degree in Mechanical Engineering. He has served as a Senior Engineer in Bhagawati Priya Consulting Engineers Limited, Mumbai. He has been associated with SCL since 1992 and has been a crucial part of the Company's growth story.

K. Prasad

Chief Financial Officer

K. Prasad heads the Finance & Accounts function of the Group. Has more than 25 years of experience. He is a qualified Chartered Accountant and also holds an M.Com. degree. He is associating with us since 2003. Before joining us, he served as the Senior Manager in Sagarsoft (India) Limited.

Rajesh Singh
Chief Marketing Officer

Rajesh Singh has 28 years of experience in Marketing. He holds a PG Diploma in Business Management from Osmania University. He is associated with us since 2008.He has worked with Suzlon Energy and Orient Cements Limited before joining SCL.

His 31 years of professional journey is as follows:
TTK Pharma, Chambal Fertilisers & Chemicals Ltd, Orient Cement, Suzlon Energy, & Sagar since 2008 onwards

Anji Reddy
Chief Sustainability Officer

Anji Reddy has a postgraduate degree in Engineering from the Andhra University and has been working for the cement industry since 1985. During the course of his 35 years of service, he has worked in a wide range of functions for the cement and power sectors. He is also a certified expert in Climate Change and Environment Sustainability by the Confederation of the Indian Industry (CII).

R. Soundararajan
Company Secretary, Chief Compliance Officer

R. Soundararajan has more than 40 years of rich experience. He holds a Post Graduate Degree in Commerce and a Law Degree. He is also a fellow Member of the Institute of Company Secretaries of India and an associate Member of the Institute of Cost Accountants of India. He heads the Secretarial & Compliance functions of the Group. He is associated with the company since 1996.

Abbreviations

Abbreviations	Full forms
(E)	Estimated figure
<IR>	Integrated Reporting
AI	Artificial Intelligence
AP&T	Andhra Pradesh and Telangana
APIDC	Andhra Pradesh Industrial Development Corporation Limited
ASCO	Assurances Continentales
BDM	Bracht Deckers & Mackelbert
BOI	Bank of India
C&F	Clearing and Forwarding
CAGR	Compound Annual Growth Rate
CEMS	Community of European Management Schools
CEO	Chief Executive Officer
CFD	Computational Fluid Dynamics
CFO	Chief Financial Officer
CII	Confederation of Indian Industries
CMA	Cement Manufacturers Association
CPP	Captive Power Plant
CSR	Corporate Social Responsibility
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EHS	Environment, Health and Safety
EPS	Earnings per share
eq	Equivalent
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
ESP	Electrostatic Precipitator
E-waste	Electronic Waste
FCS	Fellow Company Secretary
FY	Financial Year
GBC	Guntur Branch Canal
GGBS	Ground Granulated Blast Furnace Slag
GHG	Greenhouse Gas
GPAP	Group Personal Accident Policy
GTLI	Group Term Life Insurance
IIRC	International Integrated Reporting Council
IND AS	Indian Accounting Standard
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
JCPL	Jajpur Cements Private Limited
JV	Joint Venture
K Cal	Kilocalorie
kL	Kilo litre
Km	Kilometer
kWh/t	Kilowatt Hour Per Tonne

Abbreviations	Full forms
LIS	Lock-in-sula
LTI	Lost Time Injuries
LTIFR	Lost Time Injury Frequency Rate
M.B.B.S.	Bachelor of Medicine and Bachelor of Surgery
mg/nm3	Milligrams Per Cubic Metre
ML	Machine Learning
MnT	Million Tonnes
MoEFCC	Ministry of Environment, Forest and Climate Change
MT	Metric Tonnes
MTPA	Million Tonnes Per Annum
MW	Megawatts
MWh	Megawatt Hour
NIBM	National Institute of Bank Management
NOx	Nitrogen Oxides
OPC	Ordinary Portland Cement
PAT	Profit after tax
PGNAA	Prompt Gamma Neutron Activation Analysis Analyzer
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
PTFE	Polytetrafluoroethylene
RABH	Reverse Air Bag House
RBI	Reserve Bank of India
RE	Renewable Energy
RoCE	Return on Capital Employed
RoE	Return on Equity
RTM	Risks that Matter
SBT	State Bank of Travancore
SCL	Sagar Cements Limited
SCPL	Satguru Cement Private Limited
SCRL	Sagar Cements (R) Limited
SEBI	Securities and Exchange Board of India
SOx	Sulphur Oxides
SRC	Sulphate Resistant Cement
STP	Sewage Treatment Plant
T	Tonnes
tCO2e/t	Tonnes of carbon dioxide equivalent per tonne (of cement)
TPA	Tonnes Per Annum
TPD	Tonnes Per Day
TSIDC	Telangana State Irrigation Development Corporation Ltd.
UCL	University of Louvain
VFDs	Variable Frequency Drives
WHRS	Waste Heat Recovery System
y-o-y	Year-on-year

Statutory Reports

Assurance Statement

TO THE DIRECTORS AND MANAGEMENT SAGAR CEMENTS LIMITED,

Hyderabad, India

Sagar Cements Limited (hereafter 'SCL') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information and key performance indicators (KPI) disclosed in SCL's Integrated Report (hereinafter 'the Report') for the period April 1, 2020 to March 31, 2021. The Report is based on the principles of IIRC Integrated Reporting (<IR>) framework and the Global Reporting Initiative (GRI) Standards. This assurance engagement was conducted in accordance with ISAE 3000 (Revised) - "Limited Level".

MANAGEMENT'S RESPONSIBILITY

SCL developed the Report's content. SCL management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the <IR> framework and GRI standards: Core option, such that it's free of intended or unintended material misstatements.

SCOPE AND BOUNDARY

The scope of work includes the assurance of the following non-financial performance / KPI disclosed in the Report. In particular, the assurance engagement included the following:

- Review of the disclosures submitted by SCL;
- Review of the quality of information;
- Review of evidence (on a sample basis) for identified non-financial indicators

TUVI has verified the below KPI's disclosed in the Report

GRI 301: Materials	301-1 to 301-2
GRI 302: Energy	302-1
GRI 303: Water and Effluents	303-3 to 303-5
GRI 305: Emissions	305-1 to 305-7
GRI 306: Waste	306-3 to 306-6
GRI 401: Employment	401-1 to 401-3
GRI 402: Labor/Management Relations	402-1
GRI 403: Occupational Health and Safety	403-1, 403-2, 403-5, 403-9
GRI 404- Training and Education	404-1
GRI 413- Local Communities	413-1

The remote verification was conducted at SCL corporate team (Hyderabad), and its subsidiary Sagar Cements (R) Limited (SCRL), their manufacturing units at Mattampally and Gudipadu, and the grinding unit at Bayyavaram, during May 2021. The assurance activities were carried out together with a desk review as per reporting boundary i.e. SCL India operations as stated above.

LIMITATIONS

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

OUR RESPONSIBILITY

TUVI's responsibility in relation to this engagement was to perform agreed level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of SCL's strategy, management of sustainability-related issues or the sufficiency of the Report against principles of IIRC Integrated Reporting (<IR>), GRI Standards: Core option, and ISAE 3000, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by SCL. This assurance engagement assumes that the data and information provided to us by SCL are complete and true.

VERIFICATION METHODOLOGY

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data, and other information made available by SCL for non-financial KPI's (non-financial disclosures);
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of SCL;
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and qualitative);

- TUVI reviewed the level of adherence to principles of "The <IR> Framework", GRI standards: Core option.

OPPORTUNITIES FOR IMPROVEMENT

The following are the opportunities for improvement reported to SCL. However, they are generally consistent with SCL management's objectives and programs.

- SCL may increase the frequency of the materiality determination to list the material topics identified in the process for defining report content
- GHG reporting of the Corporate Offices needs to be included following the ISO 14064-1 requirements
- SCL may conduct the periodic review of child labour, forced labour and human right for operations with significant impact
- SCL may take measures to improve the reporting of the disclosure 303-3- Water withdrawal
- SCL can launch corporate program to train security personnel on human rights policies or procedures

OUR CONCLUSION

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards: Core option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in accordance with the "Core" option. SCL refers to general disclosure to report contextual information about SCL, while the 'Management Approach' is discussed to report the management approach for each material topic.

Universal Standard: SCL followed GRI 101: Reporting Principles for defining Report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements in accordance with the "Core" option.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to Report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that SCL used to prepare its Report are appropriately identified and addressed.

Limited Assurance Conclusion: Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria ("Core") of the GRI Standards.

Report complies with the requirements of the "Guiding Principles of the <IR> Framework".

A. **Strategic focus and future orientation:** The messages of top management, business model, action and strategies, focus on products, risk management, human drive, and priorities are disclosed appropriately. The information in the Report provides insight regarding strategy and organization's ability to create value (short, medium and long term) and effects on the capitals.

B. **Connectivity of information:** SCL discloses various capitals and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.

C. **Stakeholder relationships:** The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The Report provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organization understands, takes into account and responds to the legitimate needs and interests of key stakeholders.

D. **Materiality:** The materiality assessment process has been carried out, based on the requirements of "Guidance for the preparation of integrated reports". The Report reflects how SCL has appropriately identified issues that affect its value creation, have high importance to its stakeholders, linked to strategy and governance considering aspects that are internal and external to the SCL's range of business. The Report fairly brings out the aspects and topics and its respective boundaries of operations. The Report discloses information on material topics that substantively affect SCL's ability to create value over the short, medium and long term.

E. **Conciseness:** The Report does not repeat the same information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation are applied. At the same time, due care is taken to maintain continuity of information flow in the Report.

F. **Reliability and completeness:** SCL has established internal data aggregation and evaluation systems to derive the performance. The reported data is duly verified and authenticated by SCL. The majority of the data and information was verified by TUVI's assurance team during the assessment of the Sustainability Report and found to be fairly accurate. All material matters, positive and negative, are reported transparently, in a neutral tone and without material error.

G. **Consistency and comparability:** The information in the Report is presented on an annual basis in a reliable and complete manner. Thus, the principle of consistency and comparability is established.

TUVI confirms that SCL has transparently reported major material information pertaining to all its six capitals in line with the <IR> framework, as below:

Financial Capital: SCL creates value and drives growth by optimal utilisation of funds raised from various providers of capital.

Manufactured Capital: SCL focuses on operational excellence and continuous improvement & innovation in manufacturing processes through its manufacturing facilities & infrastructure.

Intellectual Capital: SCL invests in Research and Development (R&D), innovation, design and engineering, which form the basis of product development efforts.

Human Capital: SCL focuses on attracting, developing and retaining the best talent by providing training and ensuring over all safety and well-being. It also promotes inclusion and diversity throughout the business.

Social and Relationship Capital: SCL creates value beyond boundaries by cultivating an ethos of 'giving back to the society' through its CSR initiative and building a sustainable, resilient value chain.

Natural Capital: SCL emphasizes on operational eco-efficiency, principles of circularity & resource efficiency and product stewardship standards for being environmentally responsible throughout its value chain.

This assurance statement has been prepared in accordance with the terms of our engagement and ISAE 3000 (revised) requirements

Independence:

TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The assessment team was safeguarded from any type of intimidation.

Quality control:

The assurance team complies with the code of ethics for professional accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with SCL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of **TUV India Private Limited**

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service
Project Reference No: 8118951432
www.tuv-nord.com/in

Date: 06-06-2021
Place: Mumbai, India

GRI Content Index

This report is in accordance with the requirements of the Global Reporting Initiative, GRI Standard: Core. It covers our sustainability performance for the period from 1st April 2020 to 31st March 2021.

GRI 102: GENERAL DISCLOSURES 2016

GRI Standard	Disclosure	Page number/ response
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	4
102-2	Activities, brands, products, and services	7, 9
102-3	Location of headquarters	Inside back cover
102-4	Location of operations	10-11
102-5	Ownership and legal form	7
102-6	Markets served	10-11
102-7	Scale of the organization	6-9
102-8	Information on employees and other workers	61
102-9	Supply chain	12, 57
102-10	Significant changes to the organization and its supply chain	Inside cover
102-11	Precautionary Principle or approach	50
102-12	External initiatives	10
102-13	Membership of associations	Cement Manufacturers Association in India
STRATEGY		
102-14	Statement from senior decision-maker	18-21
102-15	Key impacts, risks, and opportunities	44-47
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	29, 32
102-17	Mechanisms for advice and concerns about ethics	82-83
GOVERNANCE		
102-18	Governance structure	66-69
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	28-29
102-41	Collective bargaining agreements	There are recognized trade unions constituted as per the terms of the Trade Unions Act at the Company's manufacturing units. 45.45 % permanent employees are members of recognized employee association.
102-41	Identifying and selecting stakeholders	28-29
102-43	Approach to stakeholder engagement	28-29
102-44	Key topics and concerns raised	28-29
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	79
102-46	Defining report content and topic Boundaries	Inside cover
102-47	List of material topics	1
102-48	Restatements of information	Inside cover
102-49	Changes in reporting	Inside cover
102-50	Reporting period	Inside cover
102-51	Date of most recent report	1st April 2018-March 31st 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Inside back cover
102-54	Claims of reporting in accordance with the GRI Standards	Inside cover
102-55	GRI content index	75-78
102-56	External assurance	72-73

GRI 200: ECONOMIC PERFORMANCE

GRI Standard	Disclosure	Page number/ response
GRI 201: ECONOMIC		
103-1	Explanation of the material topic and its Boundary	17, 22, 23
103-2	The management approach and its components	17, 22, 23
103-3	Evaluation of the management approach	17, 22, 23
201-1	Direct economic value generated and distributed	23
201-3	Defined benefit plan obligations and other retirement plans	Planned liabilities include gratuity - ₹ 1560 Lakhs. A separate fund exists for pension amounting to ₹ 904 Lakhs. There is no employee contribution for pension.
201-4	Financial assistance received from government	23

GRI 300: ENVIRONMENT PERFORMANCE

GRI Standard	Disclosure	Page number/ response
GRI 301: MATERIAL 2016		
103-1	Explanation of the material topic and its Boundary	43
103-2	The management approach and its components	43
103-3	Evaluation of the management approach	43
301-1	Materials used by weight or volume	43
301-2	Recycled input materials	43
GRI 302: ENERGY		
103-1	Explanation of the material topic and its Boundary	51
103-2	The management approach and its components	51
103-3	Evaluation of the management approach	51
302-1	Energy consumption within the organization	51
302-2	Energy consumption outside of the organization	51
302-3	Energy intensity	51
GRI 303: WATER AND EFFLUENTS		
103-1	Explanation of the material topic and its Boundary	53
103-2	The management approach and its components	53
103-3	Evaluation of the management approach	53
303-1	Interactions with water as a shared resource	53
303-2	Management of water discharge-related impacts	53
303-3	Water withdrawal	53
303-4	Water discharge	53
303-5	Water consumption	53
GRI 305: EMISSIONS		
103-1	Explanation of the material topic and its Boundary	52
103-2	The management approach and its components	52
103-3	Evaluation of the management approach	52
305-1	Direct (Scope 1) GHG emissions	52
305-2	Energy indirect (Scope 2) GHG emissions	52
305-3	Other indirect (Scope 3) GHG emissions	52
305-4	GHG emissions intensity	52
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	52
GRI 306: WASTE 2020		
103-1	Explanation of the material topic and its Boundary	54-55
103-2	The management approach and its components	54-55
103-3	Evaluation of the management approach	54-55
306-1	Waste generation and significant waste-related impacts	54-55
306-3	Waste generated	54-55
GRI 307: ENVIRONMENTAL COMPLIANCE		
103-1	Explanation of the material topic and its Boundary	50, 64
103-2	The management approach and its components	50, 64
103-3	Evaluation of the management approach	50, 64
307-1	Non-compliance with environmental laws and regulations	50, 64

GRI 400: SOCIAL DIMENSION

GRI Standard	Disclosure	Page number/ response
GRI 401: EMPLOYMENT		
103-1	Explanation of the material topic and its Boundary	60-61
103-2	The management approach and its components	60-61
103-3	Evaluation of the management approach	60-61
401-1	New employee hires and employee turnover	62
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61, 62
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
103-1	Explanation of the material topic and its Boundary	63
103-2	The management approach and its components	63
103-3	Evaluation of the management approach	63
403-1	Occupational health and safety management system	63
403-2	Hazard identification, risk assessment, and incident investigation	63
403-5	Worker training on occupational health and safety	62
403-9	Work-related injuries	63
GRI 404: TRAINING AND EDUCATION		
103-1	Explanation of the material topic and its Boundary	62
103-2	The management approach and its components	62
103-3	Evaluation of the management approach	62
404-1	Average hours of training per year per employee	62
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
103-1	Explanation of the material topic and its Boundary	60
103-2	The management approach and its components	60
103-3	Evaluation of the management approach	60
405-1	Diversity of governance bodies and employees	60
GRI 413: Local Communities 2016		
103-1	Explanation of the material topic and its Boundary	59
103-2	The management approach and its components	59
103-3	Evaluation of the management approach	59
413-1	Operations with local community engagement, impact assessments, and development programmes	59
GRI 419: SOCIO-ECONOMIC COMPLIANCE		
103-1	Explanation of the material topic and its Boundary	64
103-2	The management approach and its components	64
103-3	Evaluation of the management approach	64
419-1	Non-compliance with laws and regulations in the social and economic area	64

Management Discussion & Analysis

ECONOMY REVIEW

Global economy

The global economy has witnessed a turbulent year in light of COVID-19. Across the world, nations have witnessed tremendous losses to life as well as contraction in their economies. The economic revival of these countries is contingent on their ability to navigate these uncertain times by forming informed policies and carrying out mass vaccination drives. Vaccine inequality exists with some advanced vaccines having greater access and availability while underdeveloped and developing nations are barely able to cope due to insufficient vaccines and an overburdened health infrastructure. In addition to this, newer strains of the virus are proving to be a challenge and it is yet to be seen how effective the vaccines will prove against them.

Economic recovery also varies hugely among the countries based on the ability of their governments and central banks to frame policy and provide a fiscal injection to boost their economy. The International Monetary Fund (IMF) has projected a global growth rate of 6% in 2021. It was revised from the earlier estimate by 1.1% due to economic revival witnessed in certain countries on the back of mass vaccinations and greater economic mobility.

Post the many lockdowns that were initiated across the world, many industries were able to bounce back due to factors such as pent up demand and greater adaptability to evolving conditions. While sectors such as hospitality and tourism suffered, the reliance on remote work technology has grown immensely over this period. While prospects in the mid-term growth are highly conservative, it is possible to mitigate the economic damage of COVID 19.

Advanced economies are likely to rebound at a faster pace, with many showing early signs of a strong recovery. On the other hand, low income and developing countries have their hands full with insufficient investment towards the upgradation of the health infrastructure and limited means. The brunt of the economic burden is felt by the young, women, and those informally employed.

It is necessary that countries come together to tackle the virus, since its mutations and greater spread are a cause of concern irrespective of geographic location. The virus has already proved its resilience and ability to traverse across borders. Hence, economies across the world must work together for greater vaccine equality.

Outlook

The need of the hour is to ensure that vaccine production is ramped up to enhance accessibility and it is made available at a lower cost for those unable to afford it. At the same time, countries must learn from the past year, and use their time to build their health infrastructure to prepare themselves for subsequent waves of the virus. The effectiveness of vaccines and their impact, ability of governments to adopt effective policy measures, and the resilience of businesses and industries will all have an impact on the global economic revival.

Indian economy

FY2021 was a year of two distinct halves. The initial two quarters witnessed a sharp decline in business activity owing to the consecutive lockdowns and their immediate effects, while the latter quarters witnessed significant uptick in economic growth, release of pent up demand and savings, buoyant capital markets and rising foreign and domestic investor confidence. This was achieved by concerted fiscal policy measures such as the ₹ 20 trillion Aatmanirbhar package, and further supported by an accommodative monetary policy stance. With a balanced emphasis on lives and livelihoods, and strategic impetus, India experienced a net de-growth of only 7.3% (Source: NSO), performing much better than the estimates. This is a true reflection of India's resilience and strength of its economy.

In the Union Budget 2021-22, the central government has allocated ₹ 5,54,000 crore towards capital expenditure. While earlier the government was focused on consumption-led growth, this has changed over the pandemic with a greater push towards infrastructure growth. The government hopes that investing in infrastructure will have a multiplier effect, supplementing the growth of other industries. The INR 10 trillion National Infrastructure Pipeline, announced in the previous fiscal has grown in size to include 7,400 projects. Till now, 217 projects worth ₹ 100,000 crore have been completed under the said pipeline.

FY2021 also witnessed India to retain its position as a robust foreign investment destination with a foreign direct investment close to US$81 billion. The Reserve Bank of India has also undertaken several liquidity measures and interest rate cuts.

The second wave of the virus has dampened the economic recovery that was projected for the country and many states have clamped lockdowns to tackle the rising number of infected people. The negative effects of the pandemic are many. While supply chain and labour disruptions became a common occurrence, the pandemic also had an effect on disposable income and employment levels. In order to mitigate the damage of the pandemic, many businesses adopted cost cutting measures.

Outlook

India is estimated to expand at a growth rate of 12.5% in the coming fiscal year, as per the International Monetary Fund's projections. The growth rate of the country is greater than some of the most advanced economies. Before the second wave devastated the country, the rate of economic revival was better than earlier estimated. The proliferation of the virus and its mutation pose an imminent threat.

As more and more people are getting vaccinated and with the things returning to near normal we hope to witness the same economic revival that was taking place post the initial lockdown. The Indian economy is resilient as was suggested by mobility indicators during the period.

The country is quickly ramping up both its health infrastructure and vaccination drive. There is also an uptick in industrial production as well as demand for energy, construction material and steel. Confidence in the economy will however depend on the national government's ability to cope with the health crisis, the efficacy of policy measures and the success of the vaccination drive.

INDUSTRY REVIEW

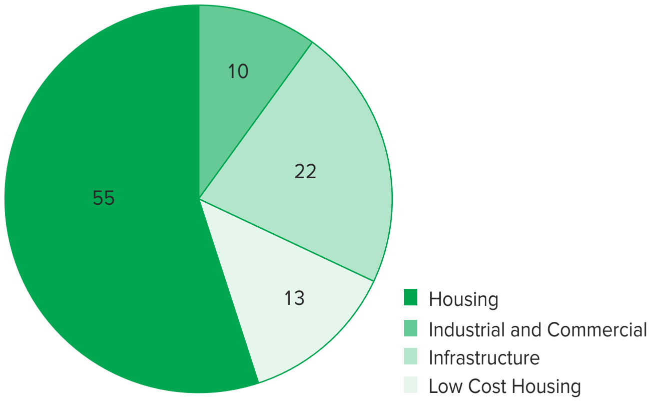
The cement industry faced a number of challenges in FY2021 from COVID-19 and consequent lockdowns. Cement demand was impacted as construction activities came to a halt while production witnessed supply chain disruptions and manpower shortages. During the year, most cement businesses adopted an approach of cutting costs as there was a fall in cement related activity due to lockdowns. This in turn, lead to a contraction in both demand and supply.

The initial lockdown imposed in the month of March 2021 had a major and immediate impact on the demand for cement. However, in spite of this set back, the cement sector is on the path to recovery and has reported strong performance post-lockdown. This growth can be attributed to pent up demand and the resumption of government infrastructure projects and construction activity. The push towards investment in the infrastructure segment will have a tremendous impact on the demand for cement across the country. Additionally, the Government of India has been emphasising on self-reliance and has taken several policies to strengthen domestic manufacturers.

Post the initial lockdown, the cement industry has seen a revival in fortunes with cement producers declaring their capex expansion plans in the first quarter of the calendar year 2021. The sector itself is estimated to witness a contraction between 11 to 13% while capacity utilisation was reduced by almost half in FY2021.

SECTORAL CONTRIBUTION OF DEMAND TO CEMENT INDUSTRY

Segment (%)



Source: CARE Ratings, Company Filings

The governments renewed focus on capital expenditure and infrastructure development is likely to have a positive impact on the demand for cement. With the expansion to 7400 new projects under the National Infrastructure pipeline and the governments objective of establishing 100 smart cities, the requirement for cement in construction is immense.

Under the Pradhan Mantri Aawas Yojna, which is the government's urban housing scheme, the central government has allocated an additional ₹18,000 crore towards the completion of housing projects. This is remarkable since the housing segment as a total makes up to 68% of all cement demand in the country. Additionally, there is a growing demand for affordable housing and houses that can be bought at a cost of ₹ 40 to 50 lakhs each.

The demand for cement is tied to growth in the housing and infrastructure segments. In the Union Budget, the central government has allotted ₹ 40,000 crore towards rural infrastructure. This will supplement the construction activities and further enhanced the rural demand for cement. Additionally, the rural economy has done well due to steady agricultural growth and a moderate monsoon. Demand for cement was enhanced due to availability of labour and disposable incomes in villages which in turn led to repairs and construction.

The cement sector in India also benefits from the wide variety of raw materials such as coal and limestone. While government investment in coal has doubled, over the last 10 years its production has grown by 100 million tonnes. Similarly, it is expected that in 2021-22 the cement industry will produce more than the 333 million tons which was recorded the previous year.

Outlook

There are a number of infrastructure projects that will be commenced in South India such as the 464 km long Bengaluru-Chennai expressway that will also connect Chhattisgarh, Odisha, and Andhra Pradesh, highway projects in Tamil Nadu spanning 3500 km and highway projects in Kerala spanning 1100 km. These projects are likely to enhance the demand for cement in the south. The second wave of the virus has proven itself to be a major challenge for both the country and the cement industry. On the whole, the long term outlook of the sector remains robustly positive based on the government's infrastructure push and greater construction activity.

Impact of the second wave on the cement industry

Cement prices were largely stable across the country, despite the danger of the second wave. High cement prices have helped mitigate the impact of high costs and weak demand. Demand for cement in March 2021 was exceptionally good but fell in the following month due to a sharp correction. This was due to lockdowns being implemented in the light of the second wave. In the span of one month, the demand had declined by 25 to 40%. Additionally, while demand from infrastructure was high, rural segment demand fell back to moderation.

SCL PERFORMANCE REVIEW

Operational performance

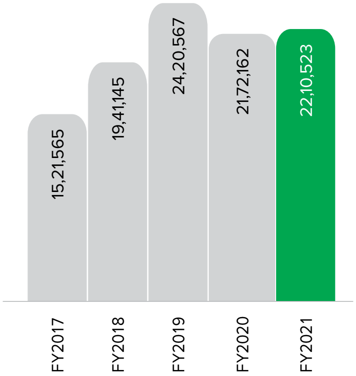
At the onset of FY 2021, construction activities were largely halted due to the lockdown and this was reflected in our sales. At the same time, production suffered due to the unavailability of labour. Despite this, as the economy slowly opened up we found our stride and our efforts in efficiency enhancement and cost optimisation paid off. We were able to maintain our margins and derive benefit from the expansion in CPP and Bayyavaram. By the second quarter there was a greater demand from the rural areas and a fewer disruption in production. This momentum was carried forward into the third quarter as government push towards infrastructure and demand from housing gave cement an even greater thrust. FY 2021 saw SCL in good stead. While revenue was up by 17%, profitability was up by 600% as compared to the previous year. However, margins were impacted due to diesel and pet-coke prices.

Once our projects in Odisha and Madhya Pradesh are completed, it will lead to further cost optimisation, particularly from the logistics view. Overall, we should be able to fulfil our objective and achieve 10 MnT capacity by the year 2025.

STANDALONE PERFORMANCE

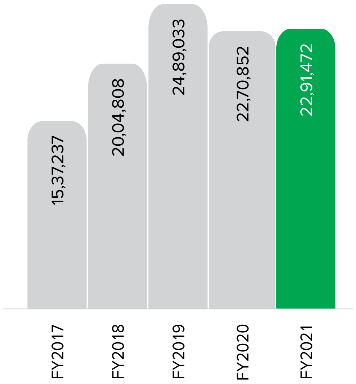
Cement Production / Purchase

(in T)



Cement sales

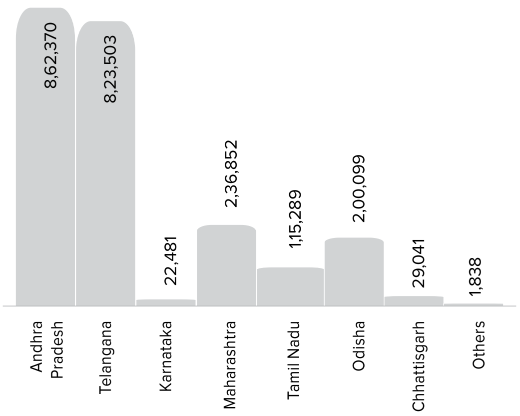
(in T)



Business Performance

Region wise sales

(in T)



Particulars	FY2021	FY2020
Cement Production (in T)	22,10,523	21,72,162
Cement Sales (in T)	22,91,472	22,70,852
Average Net Sales Realisation per T	4,371	3,732
Total Revenue (₹ in Lakhs)	1,02,239	86,390
EBITDA (%)	33	16

(₹ in Lakhs)

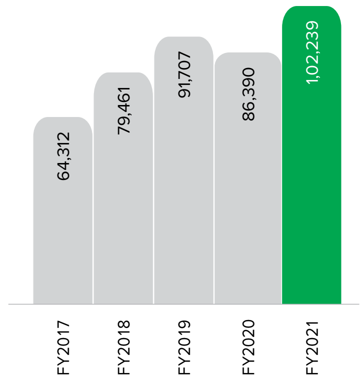
Particulars	Standalone		Consolidated	
	FY2021	FY2020	FY2021	FY2020
Total income	1,02,239	86,390	1,37,910	1,17,918
Total Expenses	78,000	81,767	1,09,799	1,12,951
Profit Before Tax	24,239	4,623	28,111	4,967
Total Tax	8,043	1,150	9,551	2,314
Profit After Tax	16,196	3,473	18,560	2,653
Other Comprehensive Income	8	(42)	7	(39)
Total Comprehensive Income	16,204	3,431	18,567	2,614
Basic & Diluted Earnings Per Share of ₹ 10 each (₹ Per Share)	70.02	16.17	80.24	12.36

Average Net sales Realisation

(₹ per T)

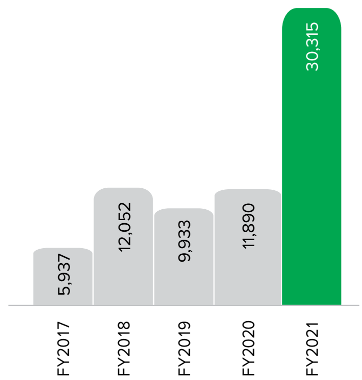
Total Income

(₹ in Lakhs)



EBITDA

(₹ in Lakhs)



FINANCIAL RATIOS

Sr No.	Particulars	FY2021	FY2020
1	Debtor's Turnover Ratio	11.93	9.80
2	Inventory Turnover Ratio	11.60	9.08
3	Interest Coverage Ratio	9.64	3.65
4	Current Ratio	1.06	0.83
5	Debt Equity Ratio	0.13	0.14
6	Operating Profit Margin (%)	27	9
7	Net Profit Margin (%)	16	4
8	Return on Net worth (%)	13	3

Our sustainability performance, across environmental, social, human and governance aspects can be found on page 50 of the Integrated Report.

Outlook

As we go forward, we will continue to deliver on our stated strategic focus areas of capacity expansion, cost efficiency, technology adoption and overall ESG integration. We also continue to work diligently towards containing the costs and improving our efficiencies. Our capex projects in MP and Odisha, which are nearing completion, will help us rationalise our freight cost and provide us with a more diversified locational advantage. They will also add on to our cash flows and chart the next wave of our growth. We are aligned to meet our growth ambition of touching 10 MTPA capacity by 2025.

The future of our organisation will be characterised by diversified presence, better product mix, and strategic cost rationalisation. This will essentially help us capitalise on the massive infrastructure opportunities in India, including development plans in the South and emerging projects in the Central and Eastern belts. The future remains strongly optimistic for us, and we believe the best is yet to come.

RISK MANAGEMENT SYSTEM

While we are subject to normal external business risks associated with similar companies operating within the cement industry, we attach utmost importance to the assessment of internal risks and the management thereof in all its dealings. Like any other dynamic business organisation, we are constantly on the lookout for identifying new opportunities to enhance enterprise value. Keeping in view the need to minimise the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved in it and then approved at different levels in the organisation before implementation.

With a view to overcoming the risk of dependence exclusively upon any particular marketing segment or region, we are trying to reach out to a wider section of its ultimate consumers and, as mentioned earlier, is looking for growth opportunities in other states, where infrastructure spending is set to get a boost.

We possess adequate systems to manage the financial risks of our operations. It's implemented through imposition of checks and balances on extending credit to the customers, audits like internal audit, statutory, cost and secretarial audit, all of which are periodically carried out through external firms, proper appraisal of major capital expenditure, adherence to the budget norms covering all areas of its operations and by adequate insurance coverage for our facilities.

INTERNAL CONTROLS AND AUDIT

The Board of Directors are satisfied with the adequacy of the internal control system currently in force in all our major areas of operations, supported by an ERP and Compliance Management Systems. The Audit Committee assists the Board of Directors in monitoring the integrity of the financial statements, reservations, if any, expressed by the Company's auditors and secretarial auditor's and based on their inputs, your Board is of the opinion that the Company's internal controls are adequate and effective.

Note: Information on technology, human resources, environmental and CSR initiatives have been covered in detail in the integrated report section.

Directors' Report

Dear Members

Your Directors are pleased to present their Fortieth Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended 31st March, 2021.

FINANCIAL RESULTS

This discussion on the financial condition and results of operations of your Company for the year ended 31st March 2021, which are summarized below, should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (R) Limited, Satguru Cement Private Limited and Jajpur Cements Private Limited:

₹ In lakhs

Description	Stand-alone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	1,00,170	84,758	1,37,132	1,17,515
Other Income	2,069	1,632	778	403
Total income	**1,02,239**	**86,390**	**1,37,910**	**1,17,918**
Total expenses	69,855	72,868	97,088	98,965
Operating Profit before Interest, Depreciation and Tax	30,315	11,890	40,044	18,550
Less: Finance Cost	2,525	3,392	4,656	6,099
Depreciation	5,620	5,507	8,055	7,887
Profit before tax	24,239	4,623	28,111	4,967
Total Tax	8,043	1,150	9,551	2,314
Profit after Tax	16,196	3,473	18,560	2,653
Other Comprehensive Income	8	(42)	7	(39)
Total Comprehensive Income	16,204	3,431	18,567	2,614
Basic & Diluted Earnings per share of ₹ 10 each	70.02	16.17	80.24	12.36

PERFORMANCE

Despite the adverse effect of Covid-19, your company achieved a stellar performance, resulting in an operational profit of ₹400 crores, which is an all time high for your company. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2020-21 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

DIVIDEND

Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business consideration as well as the applicable regulatory requirements and the dividend distribution policy adopted by your company, which is available on your company's website. Your Directors have already declared and paid two interim dividends aggregating to ₹4.00 per share (40%) for the year 2020-21. With this background, your Board of Directors is pleased to recommend a further dividend at ₹2.50 per equity share (25%) on the 2,35,00,000 equity shares of ₹10/- each of your company. The said two interim dividends already paid as well as the further dividend since recommended by our directors, thus aggregating to a dividend of ₹6.50 per share for the year 2020-21 are subject to the confirmation by the shareholders at the Annual General Meeting.

TRANSFER TO RESERVES

No transfer to any reserve is proposed and accordingly, the entire balance available in the Statement of Profit and Loss is retained in it.

SHARE CAPITAL

As on 1st April, 2020, the share capital of your company was ₹22,27,50,000/- divided into 2,22,75,000 equity shares of ₹10/- each and with the conversion of the remaining 12,25,000 warrants during the year, the share capital of your company went up to ₹23,50,00,000/- divided into 2,35,00,000 equity shares of ₹10/- each as at 31st March, 2021.

Your company proposes to split the nominal value of its equity shares of ₹10/- each in to ₹2/- per share and necessary approvals for the same and its related matters are being sought from you at the ensuing Annual General Meeting. Your Directors hope that this measure would, apart from ensuring more liquidity for the shares, would also make them more affordable for active participation by small investors.

UTILISATION OF FUNDS COLLECTED THROUGH ISSUE OF WARRANTS

Pursuant to the approval accorded by you at the Extraordinary General Meeting held on 8th January 2019, your board had allotted 31,00,000 warrants at an issue price of ₹730/- per warrant. Your company had raised a sum of ₹226.30 crores through the above allotment and the same was being utilized, inter-alia, for investment in the subsidiary companies to part fund the setting up of a fully integrated green field cement plant of 1 MTPA capacity in Madhya Pradesh and a grinding station of 1.5 MTPA capacity in the State of Odisha.

Further details as required under Regulation 32(7A) of the SEBI (LODR) Regulations 2015 regarding the collection and utilization of the funds referred to, have been given elsewhere in the report on corporate governance, which forms part of the Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

In the year 2015 your company acquired the entire equity stake in BMM Cements Limited, which has since been re-named as Sagar Cements (R) Limited. This wholly-owned subsidiary has a cement plant of 1.25 Million MTs per annum capacity along with a coal based captive power plant of 25 MW capacity in Gudipadu Village in Ananthapur District, A.P.

Though this company initially did face some problems particularly at the time of its acquisition by Sagar Cements with regard to non-availability of limestone from its captive sources for its operations, the performance of this subsidiary has since improved. It is currently operating at around 69% capacity. Its power unit is operating at 33% capacity. As you are aware, the cement produced by this subsidiary is sold under the brand name "SAGAR CEMENT". To achieve synergy, it is proposed to merge this subsidiary with Sagar Cements, the holding company and necessary steps have since been initiated for the purpose.

Your company has acquired majority stake in Satguru Cement Private Limited, which is currently implementing a green field integrated cement plant of 1 MTPA capacity with a waste heat recovery plant in the State of Madhya Pradesh. Another wholly-owned subsidiary, Jajpur Cements Private Limited, is currently setting up a 1.5 MTPA capacity grinding station at Jajpur in Odisha. Barring unforeseen circumstances, both these projects are expected to be commissioned by September, 2021.

Salient features of the financials of all the above mentioned subsidiaries have been given in Form AOC-1 as **Annexure 1** to this report.

Your Company does not have any Joint Ventures or Associate Companies.

GRINDING UNIT IN BAYYAVARAM

This grinding unit of your company, located at Bayyavaram in Vizag District, post its acquisition by your company in the year 2016, has expanded its capacity from 0.18 MTPA to 1.5 MTPA. This unit utilizes the surplus clinker available at your plant in Mattampally, for grinding into slag cement to cater to the markets in South Odisha and North Coastal districts of Andhra Pradesh where, with the identification of Vishakhapatnam and Kakinada in Andhra Pradesh and Bhubaneswar in Odisha, which are being developed as 'smart cities' under the Prime Minister's 'Smart Cities Mission'.

FUTURE OUTLOOK

The present low per capita cement consumption in India and the process of its catching up with international averages along with rapid economic growth and increased focus on infrastructure development are expected to drive future growth in the industry.

The cement produced from your company's existing plants is presently catering to the markets in Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra and South Odisha.

However, with the cement supplies in the above markets being in excess of the demand, the Demand supply Dynamics does not offer much scope for your company to increase its sales volume in these markets to any significant extent, atleast in the near future. Further as these markets are already witnessing heavy competition resulting in wide fluctuations in the price impacting the margins, with a view to reducing your Company's dependence exclusively on these markets, we are looking for opportunities to set up more integrated cement plants / grinding stations in the country, where demand for cement is expected to grow relatively at a faster rate.

As mentioned earlier, your company's subsidiaries, namely Satguru Cement Private Limited and Jajpur Cements Private Limited are setting up a fully integrated cement plant and a grinding unit in Madhya Pradesh and Odisha respectively and, barring unforeseen circumstances, both these projects are expected to be commissioned by September 2021. Cement to be produced from these plants will cater to demand in the Central and Eastern parts of India.

Thus, taking an overall view of the above, your Board is cautiously optimistic about the future outlook for your company.

RISK MANAGEMENT SYSTEM:

While your Company is subject to normal external business risks that are associated with similar companies operating within the cement industry, your Company attaches utmost importance to the assessment of internal risks and the management thereof in all its dealings. Like any other dynamic business organizations, your Company is constantly on the lookout for identifying new opportunities to enhance its enterprise value. Keeping in view the need to minimize the risks associated with such efforts, every proposal of significant nature is screened and evaluated for the risks involved in it and then approved at different levels in the organization before implementation.

With a view to overcoming the risk of dependence exclusively upon any particular marketing segment or region, your Company is trying to reach out to a wider section of its ultimate consumers and, as mentioned earlier, is looking for growth opportunities in other States, where infrastructure spending is set to get a boost.

Your Company has adequate system to manage the financial risks of its operations. The system is implemented through imposition of checks and balances on extending credit to the customers, audits like internal audit, statutory, cost and secretarial audit, all of which are periodically carried out through external firms, proper appraisal of major capital expenditure, adherence to the budget norms covering all areas of its operations and by adequate insurance coverage for the company's facilities.

Further details on this are available in the Management Discussion and Analysis Report.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Your Board of Directors are satisfied with the adequacy of the internal control system currently in force in all major areas of operations of the Company, which is supported by an ERP and compliance management systems. The audit committee assists the board of directors in monitoring the integrity of the financial statements, reservations, if any, expressed by the company's auditors including, the financial, cost, internal and secretarial auditors and based on their inputs, your board is of the opinion that the company's internal controls are adequate and effective.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company continues to enjoy cordial relationship with all its personnel at its Plants, Offices and on the field.

Your company is organizing training programmes wherever required for the employees concerned to improve their skill. They are also encouraged to participate in the seminars organized by the external agencies related to the areas of their operations.

Your company continues to focus on attracting and retaining competent personnel and providing a holistic environment where they get opportunities to grow and realize their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

SEXUAL HARASSMENT

Regarding the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013, your company has an Internal Complaints Committee. No complaints were received or disposed off during the year under the above Act and no complaints were pending either at the beginning or at the end of the year.

AWARDS AND RECOGNITIONS

Your company has already achieved ISO Certification ISO 9001:2015 for Quality Management System Standard, ISO 14001:2015 for

Environmental Management System Standard and ISO 45001:2018 for Occupational Health and Safety Management System Standard.

As the shareholders are aware your company's Laboratory at its Plant in Mattampally is the recipient of the Accreditation by the National Accreditation Board for Testing and Calibration Laboratories (NABL), which is the sole accreditation body for testing and calibration laboratories under the aegis of Department of Science and Technology, Government of India.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, your board of directors, to the best of their knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and of the profit of the company for that period;

iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the directors have prepared the annual accounts on a going concern basis;

v. the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;

vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Andhra Pradesh Industrial Development Corporation has appointed Mrs. Sudha Rani Naga as nominee director on your Board in the place of its earlier nominee, Shri T.Nagesh Reddy.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri S.Sreekanth Reddy and Mrs.S.Rachana will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Further, Dr.S.Anand Reddy and Shri S.Sreekanth Reddy will be holding their current office as Managing Director and Joint Managing Director respectively till 30th October, 2021 and your Board on the recommendation of its Nomination and Remuneration Committee has re-appointed these directors in their respective office. The resolutions seeking the approval of the members for the above said re-appointments have been incorporated in the notice of the annual general meeting of the company.

Excepting Mrs. S. Rachana, who is a director in Panchavati Polyfibres Limited and R V Consulting Services Private Limited, whose transactions with the company have been reported under the related parties disclosure in the notes to the accounts, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

INDEPENDENT DIRECTORS DECLARATION

The company has received necessary declarations from all the Independent Directors of the Company in accordance with Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence as laid out in section 149(6) of the said Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as an Independent Director during the year.

NUMBER OF MEETINGS OF THE BOARD

During the year 2020-21, five meetings of the board were held and the details of these meetings of the Board as well as its Committees have been given in the corporate governance report, which forms part of the Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act have been disclosed in the corporate governance report.

Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

BOARD EVALUATION

The Board of directors have carried out an evaluation of its own performance and of its committees as well as its individual directors, on the basis of criteria such as composition of the board / committee structure, effectiveness, its process, information flow, functioning etc.

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S), who were re-appointed as Statutory Auditors of the company by the Shareholders at their 39th Annual General Meeting held on 9th September 2020 for a second consecutive term of 5 years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 44th Annual General Meeting to be held in the year 2025, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

Auditors' Report

The auditors' report does not contain any qualifications, reservations or adverse remarks and it is an unmodified one.

Secretarial Auditors' Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure 2**, which forms part of this report. There are no adverse remarks in the said report, excepting to the extent of delayed appointment of an independent women director, which is self-explanatory. Your company has complied with the Secretarial Standards applicable for holding Board and General Meetings.

Secretarial Standards

Your company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and that such systems are adequate and operating effectively.

Cost Auditors

M/s.Narasimha Murthy & Co., Cost Auditors of the company have been appointed as Cost Auditors of the company for the year ending 31st March 2022. A resolution seeking shareholders' ratification of the remuneration payable to the Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

Details in respect of frauds reported by Auditors under Section 143 (12) other than those which are reportable to the Central Government.

No frauds were reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 read with the Rules made there under.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements at appropriate places.

TRANSACTIONS WITH RELATED PARTIES

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Act read with rule 8 (2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-3** in Form AOC-2 as part of this report.

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered into by the company with the promoters, key management personnel or other designated persons that may have potential conflict with the interests of the company at large. All related party transactions had prior approval of the Audit Committee and were later ratified wherever required.

During the year 2020-2021 your Company had not entered into transactions with any person or entity belonging to it promoter / promoter group, which holds 10% or more shareholding in the Company.

CORPORATE SOCIAL RESPONSIBILITY

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative taken by your company are set out in **Annexure-4** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is also available on the website of the company, www.sagarcements.in.

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Act, an extract of the Annual Return for the year 2020-21 has been given in the **Annexure - 5** in the prescribed format, which forms part of this report and Annual return in Form MGT-7 is also available on the company's website and can be accessed at https://sagarcements.in/wp-content/uploads/2021/07/SCL_Annual-Return_2020-21.pdf

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules has been given in the **Annexure-6**, which forms part of this report.

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Particulars	Ratio to Median Remuneration
Non-Executive Directors	Non-Executive Directors are not paid any remuneration, other than sitting fee
Executive Directors:-	
Dr.S.Anand Reddy	142.37
Shri S.Sreekanth Reddy	138.18

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri O.Swaminatha Reddy, Non-Executive Chairman (up to 24.6.2020)	These non-executive directors, were not paid any remuneration, other than the sitting fee, which was increased from ₹20,000/- to ₹40,000/- with effect from 29th July, 2020 for each meeting of the Board or Committee thereof attended by them
Shri K.Thanu Pillai, Non-Executive Director	
Mrs.O.Rekha, Non-Executive Director (with effect from 30.6.2020)	
Shri T.Nagesh Reddy (APIDC Nominee Director) (up to 30.12.2020)	
Mrs.Sudha Rani Naga (APIDC Nominee Director (with effect from 20.1.2021)	
Shri John Eric Bertrand, Non-Executive Director	
Shri V.H.Ramakrishnan, Non-Executive Director	
Mrs.S.Rachana, Non-Executive Director	
Dr.S.Anand Reddy, Managing Director	137.93
Shri S.Sreekanth Reddy, Joint Managing Director	148.32
Shri R.Soundararajan, Company Secretary	7.80
Shri K.Prasad, Chief Financial Officer	22.31

c. The percentage increase in the median remuneration of employees in the financial year: 5.62

d. The number of permanent employees on the rolls of Company: 556

e. Percentage increase or decrease in the market quotations of the shares of the company, comparison to its price at which the company came out with its last public offer:

Particulars	On March 31, 2021 (₹)	On June 22, 1992 (₹)	% Change
Market Price in NSE	715.05	Not listed	-
Market Price in BSE	714.15	45.00	1487 %

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that remuneration is as per its remuneration policy.

Policy on transaction with related parties:

Policy on dealing with related party transactions is available on the website of the company (www.sagarcements.in).

WHISTLE BLOWER POLICY

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees of the company to report their genuine concerns, if any. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the SEBI Listing Regulations and the same is available on the company's web site www.sagarcements.in.

DEPOSITS FROM PUBLIC

The company does not accept any deposits from public during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars required under Section 134 (3) (m) of the Companies Act, 2013 have been provided in the **Annexure 7**, which forms part of this Report.

INSURANCE

All the properties of the Company have been adequately insured.

POLLUTION CONTROL

Your company is committed to keep the pollution at its plant within the acceptable norms and as part of this commitment, it has, inter-alia, adequate number of bag filters in the plant.

SUB COMMITTEES OF THE BOARD

The Board has Audit Committee, Nomination and Remuneration Committee, Investment Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Securities Allotment Committee. The composition and other details of these committees, have been given in the Report on the Corporate Governance, which forms part of the Annual Report.

COMPLIANCE CERTIFICATE

A certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance is attached to this Report along with our report on Corporate Governance.

MATERIAL CHANGES AND COMMITMENTS SINCE THE END OF THE FINANCIAL YEAR

There were no material changes or commitments between the end of the financial year and the date of this report.

CAUTIONARY STATEMENT

Statements in this report and its annexures describing company's projections, expectations and hopes are forward looking. Though, these are based on reasonable assumption, their actual results may differ.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the valuable co-operation extended to the Company by its bankers and various authorities of the State and Central Government. They thank the Distributors, Dealers, Consignment Agents, suppliers and other business associates of your Company for their continued support. Your Board also takes this opportunity to place on record its appreciation of the contributions made by the employees of company at all levels and last but not least, of the continued confidence reposed by you in the Management.

For and on behalf of the Board of Directors

Hyderabad	**Dr. S. Anand Reddy**	**S. Sreekanth Reddy**
1st July, 2021	Managing Director	Joint Managing Director

Annexure 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

S. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (R) LIMITED (SCRL)	SATGURU CEMENT PRIVATE LIMITED (SCPL)	JAJPUR CEMENTS PRIVATE LIMITED (JCPL)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees
4.	Share Capital	11,596	446	8,193
5.	Reserves & surplus	5,464	15,253	32
6.	Total Assets	52,105	48,241	20,400
7.	Total Equity and Liabilities	52,105	48,241	20,400
8.	Investments	-	-	-
9.	Turnover	37,663	-	-
10	Profit/(Loss) before tax	4,382	(130)	(148)
11.	Provision for tax	1,536	(11)	(17)
12.	Profit/(Loss) after tax	2,846	(119)	(131)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100%	65%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: SCPL & JCPL
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Name of associates/Joint Ventures	Nil
Latest audited Balance Sheet Date	Nil
Shares of Associate/Joint Ventures held by the company on the year end	Nil
No.	Nil
Amount of Investment in Associates/Joint Venture	Nil
Extent of Holding%	Nil
Description of how there is significant influence	Nil
Reason why the associate/joint venture is not consolidated	Nil
Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
Profit/Loss for the year	Nil
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	Nil

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

Dr.S.Anand Reddy
Managing Director

S.Sreekanth Reddy
Joint Managing Director

K.Prasad
Chief Financial Officer

R.Soundararajan
Company Secretary

Place: Hyderabad
Date : 1st July, 2021

Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2021

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

To,
The Members,
M/s. Sagar Cements Ltd,
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad,
Telangana - 500033.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sagar Cements Ltd** (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, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**
- (f) 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; **(Not applicable to the Company during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**

(vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Environment Protection Act, 1986 and other environmental laws;

(x) Equal Remuneration Act, 1976;

(xi) Factories Act, 1948;

(xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;

(xiii) Maternity Benefits Act, 1961;

(xiv) Minimum Wages Act, 1948;

(xv) Negotiable Instruments Act, 1881;

(xvi) Payment of Bonus Act, 1965;

(xvii) Payment of Gratuity Act, 1972;

(xviii) Payment of Wages Act, 1936 and other applicable labour laws;

(xix) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:

- i. Cement Cess Rules, 1993;
- ii. Cement (Quality Control) Order, 1995;
- iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
- iv. The Hazardous Wastes (Managements Handling and Transboundry Movement) Rules, 2008;
- v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
- vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- viii. The Noise Pollution (Regulation And Control) Rules, 2000;
- ix. Mines Act, 1952 and Rules issued thereunder;
- x. Mines and Mineral (Regulation and Development) Act, 1957;
- xi. The Electricity Act, 2003;
- xii. National Tariff Policy;
- xiii. Essential Commodities Act, 1955;
- xiv. Explosives Act, 1884; and
- xv. Indian Boilers Act, 1923.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:.

The Composition of the Board of Directors was not in compliance with the regulation 17(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation,2015, with respect to appointment of women independent Director, from 01.04.2020 to 29.06.2020.The Company has rectified the Non-compliance on 30.06.2020.

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same is not within the scope of our audit.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice was given to all directors to schedule the Board Meetings and agenda with detailed notes there on were sent to them at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required by them on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

i. The Company has allotted:
   - 12,25,000 Equity Shares pursuant to conversion of Warrants on 20.07.2020

and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

for **B S S & Associates**
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN.: A022119C000285019

Place: Hyderabad
Date: 12-05-2021

This Report is to be read with our letter of even date which is annexed as **'Annexure A'** and forms an integral part of this report.

Annexure A

To,

The Members,
Sagar Cements Ltd,
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad,
Telangana 500033.

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

1. Maintenance of Secretarial record 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 reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed 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 provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **B S S & Associates**
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN.: A022119C000285019

Place: Hyderabad
Date: 12-05-2021

Secretarial Compliance Report

Sagar Cements Ltd

for the year ended March 31, 2021

We, B S S & Associates, Company Secretaries, have examined:

(a) all the documents and records made available to us and explanation provided by Sagar Cements Ltd("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable to the Company during the Review Period;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014-Not applicable to the Company during the Review Period;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable to the Company during the Review Period;

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013-Not applicable to the Company during the Review Period;

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17 (1) (a) of SEBI (Listing Obligations & Disclosure Requirements Regulations, 2015) (LODR)	Non-Compliance of Corporate Governance Requirement in respect of Reg. 17 (1) (a) pertaining to appointment of Women Independent Director during the period from 01.04.2020 to 29.06.2020	The Company has rectified the Non-compliance on 30.06.2020.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

(c) The following are the details of the actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges(including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

Sr. No.	Action Taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	National Stock Exchange of India Limited and BSE Ltd	Non-Compliance of Corporate Governance Requirement in respect of Reg. 17(1) pertaining to appointment of Women Independent Director during the period from 01.04.2020 to 29.06.2020.	A fine of ₹ 5000/- per day for each day during the period from 01.04.2020 to 29.06.2020 aggregating to ₹ 4,50,000/- plus applicable GST.	The Fine was duly paid to NSE and the corrective actions were taken by the Company. The response to the companies request to the BSE Ltd, to reconsider the penalty and waive the same, is awaited.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports: Not Applicable as there were no observations in the previous Annual Secretarial Compliance Report.

for **B S S & Associates**
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN.: A022119C000285096

Place: Hyderabad
Date: 12-05-2021

Annexure 3

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 in to by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2020-21.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

   There were no material contracts or arrangements or transactions with related parties during the financial year 2020-21.

On behalf of the Board of Directors

Hyderabad
1st July, 2021

K.Thanu Pillai
Chairman

Annexure 4

Annual Report on CSR Activities

1. **Brief outline on CSR Policy of the Company:**

SCL is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact.

It aims to achieve growth in a responsible way by encouraging people to take action every day that will have big difference in the long run. This CSR Policy is guided by the following principles:

a) It conducts its operations with integrity and responsibility, keeping in view the interest of all its stakeholders.

b) It believes that growth and environment should go hand and in hand.

c) It looks for formal collaboration with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers and Distributors to tackle the challenges faced by the society.

The activities undertaken / to be undertaken by the company as CSR activities are not expected to lead to any additional surplus beyond what would accrue to the company during the course of its normal operations.

In accordance with Section 135 (5) of the Companies Act, 2013, the company is committed to spend atleast 2% of the average net profit made during the three immediately preceding financial years, in areas listed out in the Schedule VII of the Companies Act, 2013.

The company has a structured governance procedure to monitor its CSR activities, for which purpose, it has constituted a CSR Committee with an independent director as its Chairman.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri K.Thanu Pillai	Chairman	1	1
2	Dr.S.Anand Reddy	Member	1	1
3	Shri S.Sreekanth Reddy	Member	1	1
4	Mrs.S.Rachana	Member	1	1

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

https://sagarcements.in/investors/policies

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not applicable			

6. **Average net profit of the company as per section 135(5):** Rs.5,312.67 lakhs.

7. (a) **Two percent of average net profit of the company as per section 135(5):** Rs.106.25 lakhs.

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (c) **Amount required to be set off for the financial year, if any:** Nil

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** Rs.106.25 lakhs.

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

Total Amount Spent for the Financial Year. (Rs.in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
119.92	Not applicable				

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

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

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project. State.	District.	(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency. Name.	CSR registration number.
1.	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	Yes	Local Areas of Nalgonda District, Telangana		34,81,757	Yes	Not Applicable	
2.	Training and education	Promotion of Education and infrastructure for it.	Yes	Local Areas of Nalgonda District, Telangana		8,91,118	Yes		
3.	Training and promotion of sports	Organizing sports events and sponsor of sports personnel	Yes	Local Areas of Nalgonda District, Telangana		26,00,000	Yes		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Nalgonda District, Telangana		50,19,438	Yes		
	Total					**1,19,92,313**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.1,19,92,313/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs.in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	106.25
(ii)	Total amount spent for the Financial Year	119.92
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13.67
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13.67

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. Name of the Fund	Amount (in Rs).	Date of transfer.	Amount remaining to be spent in succeeding financial years. (in Rs.)
1	2019-20	-	10.41 LAKHS	-	-	-	-

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

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in Rs).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed /Ongoing.
					Not Applicable			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

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

Hyderabad	**Dr.S.Anand Reddy**	**K Thanu Pillai**
1st July, 2021	Managing Director	Chairman, CSR Committee

Annexure 5

Form No.MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2021

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	L26942TG1981PLC002887
ii.	Registration Date	:	15.01.1981
iii.	Name of the Company	:	Sagar Cements Limited
iv.	Category / Sub-Category of the Company	:	Company Limited by Shares / Indian Non-Government Company
v.	Address of the Registered Office and contact details	:	Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033 Tel : 91 40 23351571 Fax: 91 40 23356573 Email: soundar@sagarcements.in Website: www.sagarcements.in
vi.	Whether listed company	:	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited Selenium Building, Tower B, Plot No(s). 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032 Toll Free No: 1800-3094-001 e-mail: einward.ris@kfintech.com Website: https://www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Manufacture of Cement	23941	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Sagar Cements (R) Limited (Formerly BMM Cements Ltd.) Regd.Office: Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033 Telangana	U40300TG2007PLC0134320	Subsidiary	100%	2(87)
2	Jajpur Cements Private Limited Reg. Off: Plot No 22, Acharaya Vihar, Madhusudan Nagar, Bhubneshwar, Khordha -751013, Odisha.	U26922OR2010PTC012239	Subsidiary	100%	2(87)
3	Satguru Cement Private Limited Reg. Off: 601/1, Airen Heights, Scheme No. 54 PU-3, Opp.C-21 Mall, A.B. Road, Indore-452001. Madhya Pradesh	U26942MP2001PTC014599	Subsidiary	65%	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Shareholding

	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**PROMOTERS**									
1	**Indian**									
(a)	Individual/ Hindu Undivided Family	9008369	0	9008369	40.44	9008469	0	9008469	38.33	-2.11
(b)	Central Government/State Government(s)									
(c)	Bodies Corporate	1980382	325000	2305382	10.35	2807083	0	2807083	11.95	1.60
(d)	Financial Institutions / Banks									
(f)	Any Other (Specify)									
	Sub Total(A)(1)	**10988751**	**325000**	**11313751**	**50.79**	**11815552**	**0**	**11815552**	**50.28**	**-0.51**
2	**Foreign**									
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)									
(b)	Bodies Corporate									
(c)	Institutions									
(d)	Qualified Foreign Investor									
(e)	Any Other (Specify)									
	Sub Total(A)(2)									
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**10988751**	**325000**	**11313751**	**50.79**	**11815552**	**0**	**11815552**	**50.28**	**-0.51**
(B)	**PUBLIC SHAREHOLDING**									
1	**Institutions**									
(a)	Mutual Funds	2485834	1200	2487034	11.17	2606416	1200	2607616	11.10	-0.07
(b)	Financial Institutions/Banks	1313	3850	5163	0.02	100	3850	3950	0.02	-0.01
(c)	Central Government/State Government(s)									
(d)	Venture Capital Funds									
(e)	Insurance Companies	336741	0	336741	1.51	153828	0	153828	0.65	-0.86
(f)	Foreign Institutional Investors/FPIs	677540	0	677540	3.04	760882	0	760882	3.24	0.20
(g)	Foreign Venture Capital Funds									
(h)	Qualified Foreign Investors									
(i)	Any Other (specify) (Trust)									
	Sub-Total (B)(1)	**3501428**	**5050**	**3506478**	**15.74**	**3521226**	**5050**	**3526276**	**15.01**	**-0.74**
2	**Central Governments/State Government(s/President of India**									
	Sub-Total (B) (2)									
3	**Non-Institutions**									
(a)	Individuals									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	1031386	205025	1236411	5.55	1281922	191920	1473842	6.27	0.72
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	349272	0	349272	1.57	111562	0	111562	0.47	-1.09
(b)	NBFCs registered with RBI									
(c)	Employee Trusts									
(d)	Overseas Depositories (Holding DRs) (Balancing figure)									
(e)	Any Other									
	Alternative Investment Fund									
	Trusts	0	0	0	0	888	0	888	0.00	0.00
	NRIs	117366	0	117366	0.53	154002	0	154002	0.66	0.13
	Clearing Members	6444	0	6444	0.03	12968	0	12968	0.06	0.03
	Bodies Corporates	5573700	2851	5576551	25.04	6228397	2751	6231148	26.52	1.48
	IEPF	168727	0	168727	0.76	173762	0	173762	0.74	-0.02
	Sub-Total (B)(3)	**7246895**	**207876**	**7454771**	**33.47**	**7963501**	**194671**	**8158172**	**34.72**	**1.25**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)**	10748323	212926	10961249	49.21	11484727	199721	11684448	49.72	0.51
	TOTAL (A)+(B)	**21737074**	**537926**	**22275000**	**100.00**	**23300279**	**199721**	**23500000**	**100.00**	**0.00**
(C)	**Shares held by Custodians for GDRs & ADRs**									
	GRAND TOTAL (A)+(B)+(C)	**21737074**	**537926**	**22275000**	**100.00**	**23300279**	**199721**	**23500000**	**100.00**	

(ii) Shareholding of promoters

Sl No.	Shareholder's name	Shareholding at the beginning of the year (01-04-2020)			Shareholding at the end of the year (31-03-2021)			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	S ARUNA	1369545	6.15	Nil	1369545	5.83	Nil	-0.32
2	S RACHANA	1167183	5.24	Nil	1167283	4.97	Nil	-0.27
3	S ANAND REDDY	1306524	5.87	Nil	1306524	5.56	Nil	-0.31
4	SREEKANTH REDDY SAMMIDI	1239353	5.56	Nil	1239353	5.27	Nil	-0.29
5	S VANAJATHA	990769	4.45	Nil	990769	4.22	Nil	-0.23
6	W MALATHI	755400	3.39	Nil	755400	3.21	Nil	-0.18
7	N MADHAVI	533800	2.40	Nil	533800	2.27	Nil	-0.13
8	P V NARSIMHA REDDY	2000	0.01	Nil	2000	0.01	Nil	0.00
9	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LTD	313285	1.41	Nil	313285	1.33	Nil	-0.08
10	PANCHAVATI POLYFIBRES LTD	31500	0.14	Nil	31500	0.13	Nil	-0.01
11	SAGAR PRIYA HOUSING & INDUSTRIAL ENTERPRISES LTD	860000	3.86	Nil	860000	3.66	Nil	-0.20
12	R V CONSULTING SERVICES PVT.LTD.	1100597	4.94	Nil	1602298	6.82	Nil	1.88
13	S SIDDHARTH	821898	3.69	Nil	821898	3.50	Nil	-0.19
14	S ANEESH	821897	3.69	Nil	821897	3.50	Nil	-0.19
	TOTAL	**11313751**	**50.80**	**Nil**	**11815552**	**50.28**	**Nil**	**-0.52**

(iii) Change in Promoters' Shareholding

Sl No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	At the beginning of the year	11313751	50.80	11313751	50.80
	Acquired during the year				
	Acquired *	501801	2.13	11815552	50.28
	Sold *				
	At the end of the year			**11815552**	**50.28**

* Shares of the Company are traded on a daily basis and hence the date wise increase or decrease in the shareholding is not furnished.

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

Sl No.	Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2020 *		Shareholding at the end of the year 31-03-2021 **	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	AVH RESOURCES INDIA PRIVATE LIMITED	4358704	19.57	5133754	21.85
2	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND	1309820	5.88	1083330	4.61
3	IDFC STERLING VALUE FUND	1029533	4.62	1038915	4.42
4	TWINVEST FINANCIAL SERVICES LTD	813327	3.65	813327	3.46
5	ICG Q LIMITED	365000	1.64	365000	1.55
6	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD	336741	1.51	153828	0.65
7	KITARA INDIA MICRO CAP GROWTH FUND	275949	1.24	275949	1.17
8	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	168727	0.76	173762	0.74
9	SBI MAGNUM COMMA FUND	146381	0.66	146381	0.62
10	SOUHITI INFRAPROJECTS PVT LTD	133475	0.60	133485	0.57

* In the list of top 10 as on 1-4-2020;

** In the list of top 10 as on 31-03-2021

Note: As the shares of the Company are traded on a daily basis, the date wise increase or decrease in the shareholding is not furnished.

(v) Shareholding of Directors and Key Managerial Personnel

Sl No.	For each of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year 01-04-2020		Shareholding at the end of the year 31-03-2021	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Directors						
1	Shri O.Swaminatha Reddy	01/04/2020	At the beginning of the year	Nil	Nil		
	(up to 24.6.2020)	31/03/2021	At the end of the year			Nil	Nil
2	Mrs.S Rachana	01/04/2020	At the beginning of the year	1,167,183	5.24		
		31/03/2021	At the end of the year			1,167,283	4.97
3	Drs.S Anand Reddy	01/04/2020	At the beginning of the year	1,306,524	5.87		
		31/03/2021	At the end of the year			1,306,524	5.56
4	Shri Sreekanth Reddy	01/04/2020	At the beginning of the year	1,239,353	5.56		
	Sammidi	31/03/2021	At the end of the year			1,239,353	5.27
5	Shri K.Thanu Pillai	01/04/2020	At the beginning of the year	Nil	Nil		
		31/03/2021	At the end of the year			Nil	Nil
6	Shri V.H.Ramakrishnan	01/04/2020	At the beginning of the year	Nil	Nil		
		31/03/2021	At the end of the year			Nil	Nil
7	Mrs.O.Rekha	01/04/2020	At the beginning of the year	Nil	Nil		
	(w.e.f. 30.6.2020)	31/03/2021	At the end of the year			200	0.00
8	Shri John Eric Bertrand	01/04/2020	At the beginning of the year	Nil	Nil		
		31/03/2021	At the end of the year			Nil	Nil
9	Shri T.Nagesh Reddy	01/04/2020	At the beginning of the year	Nil	Nil		
	(upto 30.12.2020)	31/03/2021	At the end of the year			Nil	Nil
10	Mrs.Sudha Rani Naga	01/04/2020	At the beginning of the year	Nil	Nil		
	(w.e.f. 20.1.2021)	31/03/2021	At the end of the year			Nil	Nil
11	Shri. Jens Van	01/04/2020	At the beginning of the year	Nil	Nil		
	Nieuwenborgh	31/03/2021	At the end of the year			Nil	Nil
	Key Managerial Personnel						
1	Shri R.Soundararajan,	01/04/2020	At the beginning of the year	10	0.00		
	Company Secretary	31/03/2021	At the end of the year			10	0.00
2	Shri K. Prasad,	01/04/2020	At the beginning of the year	1,984	0.00		
	Chief Financial Officer	31/03/2021	At the end of the year			6,517	0.03

V. INDEBTEDNESS

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

Amount in ₹ Lakhs

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits (Note)	Total Indebtedness
I	Indebtedness at the beginning of the year				
i	Principal Amount	25,557	-	5,178	30,735
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	190	-	-	190
	Total (i+ii+iii)	**25,747**	-	**5,178**	**30,925**
	Change in the indebtedness during the financial year				
	Addition	5,701	-	-	5,701
	Reduction	(5,490)	-	-	(5,490)
	Net Change	211	-	-	211
II	Indebtedness at the end of the year				
i	Principal Amount	25,768		5,097	30,865
ii	Interest due but not paid	-		-	-
iii	Interest accrued but not due	68		-	68
	Total (i+ii+iii)	**25,836**		**5,097**	**30,933**

Note: These are deposits received from Customers.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

In ₹

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Dr.S.Anand Reddy (M.D)	Shri S.Sreekanth Reddy (J.M.D)	
1	Gross Salary			
	Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	2,10,00,000	1,89,00,000	3,99,00,000
	Value of perquisites u/s.17 (2) of Income-come Tax Act, 1961			
	Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission	5,03,80,000	5,03,80,000	10,07,60,000
	- as % of profit			
	- others, specify (arrears relating to previous year)			
5	**Total (A)**	**7,13,80,000**	**6,92,80,000**	**14,06,60,000**
	Ceiling as per the Act (As minimum remuneration) *			

B. Remuneration to other Directors

In ₹

Sl. No.	Particulars of Remuneration	Name of the Director				Total Amount
		Shri O.Swaminatha Reddy	Shri K. Thanu Pillai	Shri.V.H. Ramakrishnan	Mrs.O.Rekha	
1	Independent directors					
	Fee for attending board / committee meetings	60,000	5,20,000	4,40,000	3,20,000	13,40,000
	Total (1)	**60,000**	**5,20,000**	**4,40,000**	**3,20,000**	**13,40,000**
		Name of the Director				
2	Other Non-Executive Directors	Shri T.Nagesh Reddy/ Mrs.Sudha Rani Naga (APIDC's Nominee) **	Shri John Eric Bertrand	Smt.S.Rachana	Shri Van Nieuwenborgh Jens (Alternate Director to Shri John Eric Bertrand	Total Amount
	Fee for attending board/ committee meetings	1,80,000	0	2,40,000	0	4,20,000
	Total (2)	**1,80,000**	**0**	**2,40,000**	**0**	**4,20,000**
	Total (B) = (1+2+3)	**2,40,000**	**5,20,000**	**6,80,000**	**3,20,000**	**17,60,000**
	Total Managerial Remuneration (A + B)					**14,24,20,000**
	Overall Ceiling as per the Act*					

* The actual remuneration paid to the Managing Director/Whole-time Director was pursuant to the resolution passed by the shareholders at their meeting held on 8th January, 2019.

** Sitting Fee paid to the Institution he/she represents, viz., APIDC directly.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri R Soundararajan	Shri K.Prasad	
1	Gross Salary			
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	38,00,325	58,95,500	96,95,825
	b. Value of perquisites u/s.17 (2) of Income-tax Act, 1961			
	c. Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961			
2	Stock Option			
3	Sweet Equity			
4	Commission - As % of profit - Others, specify			
5	Others, Allowances			
	Total	**38,00,325**	**58,95,500**	**96,95,825**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2021.

Annexure 6

Particulars of employees as required under Section 197 of the Companies Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Employee	Dr.S.Anand Reddy	Shri S.Sreekanth Reddy
Designation	Managing Director	Joint Managing Director
Age	57 years	49 years
Remuneration received (₹)	2,10,00,000	1,89,00,000
Commission received (₹)	5,03,80,000	5,03,80,000
Nature of employment	Contractual	Contractual
Nature of duties	General Management	General Management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology
Experience (Years)	28	25
Date of Commencement of Employment	23.11.1991	26.06.2003
Last Employment held	Nil	Nil

Dr.S.Anand Reddy and Shri S.Sreekanth Reddy are related to each other.

Annexure 7

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your company attaches utmost importance to conservation of energy by adopting innovative measures through usage of eco-friendly and cheaper fuels, reducing wastage and optimizing the consumption of energy. Some of the specific measures undertaken in this direction are listed below.

1. Utilization of AFR for replacement of pet coke to the tune of 5%.
2. Utilization of Rice husk to increase further reduction of pet coke.

OPTIMIZATION OF PLANT CAPACITY

Company has taken up Plant optimization program to enhance the production capacity and reduce the Power and Fuel Consumption.

The following initiatives have been taken.

1. Installation and Commissioning of rice husk handling system.
2. Installation and Commissioning of liquid solvent storage and pumping system.
3. Construction of AFR Storage shed.
4. Construction of storage shed for limestone and coal.
5. Construction of clinker loading system in to the wagons.

RESEARCH AND DEVELOPMENT

Your Company Collaborates with National Council for Cement Building & Materials for Research and Development activities and appointed CII for Plant Energy Audit.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo as per the Companies Act, 2013, are given below.

₹ in Lakhs

S. No	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1	Outgo	6,705	7,582
2	Inflow	Nil	Nil

Corporate Governance Report

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), compliance with the requirements of Corporate Governance is set out below

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Sagar Cements Limited ("The Company") believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relationship with all its stakeholders.

2. BOARD OF DIRECTORS:

Composition:

As on 31st March, 2021, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

(i) As on 31st March, 2021 the Company had nine Directors, including an alternate director.

(ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2021 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee are alone considered for this purpose.

Name of the Director	Category	Number of board meetings during the year 2020-21		Whether attended the last AGM held on 9.9.2020	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri O.Swaminatha Reddy (up to 24.6.2020)	Chairman, Independent and Non-Executive Director	5	1	NA	2	2	2	1
Dr.S.Anand Reddy	Managing Director (Promoter)	5	5	Yes	-	4	1	-
Shri S.Sreekanth Reddy	Joint Managing Director (Promoter)	5	5	Yes	1	3	-	-
Mrs. S.Rachana	Non-Executive (Promoter Group)	5	5	Yes	-	1	-	-
Shri K.Thanu Pillai (with effect from 29.7.2020)	Chairman, Independent and Non-Executive Director	5	5	Yes	1	4	-	2
Shri V.H.Ramakrishnan	Independent and Non-Executive Director	5	5	Yes	-	2	2	1
Shri T.Nagesh Reddy (up to 30.12.2020)	Nominee Director from APIDC (Equity Investor)	5	3	Yes	-	-	-	-
Shri John Eric Bertrand	Non-Executive Director	5	3	No	-	-	-	-
Jens Van Nieuwenborgh	Alternate Director to Shri John Eric Bertrand	5	2	No	-	-	-	-
Mrs.O.Rekha (with effect from 30.6.2020)	Independent and Non-Executive Director	5	4	Yes	-	1	-	2
Mrs.Sudha Rani Naga (with effect from 20.1.2021)	Nominee Director from APIDC (Equity Investor)	5	2	NA	-	-	-	-

NA – Not Applicable

(iii) Directorships and their category in other listed entities:

S No.	Name of the Director	Category of Directorship	Names of the other Listed Entities where the person is a director and the category of such directorship	
			Company	Category
1	Shri O.Swaminatha Reddy	Chairman and Independent Director up to 24.6.2020	1. Bhagyanagar India Ltd. 2. Surana Solar Ltd.	Independent Director Independent Director
2	Dr.S.Anand Reddy	Managing Director (Promoter)	-	-
3	Shri S.Sreekanth Reddy	Joint Managing Director (Promoter)	1. Sagarsoft (India) Ltd.	Chairman – Non-Executive
4	Mrs.S.Rachana	Non-Executive Director (Promoter Group)	-	-
5	Shri K.Thanu Pillai	Chairman and Independent Director	1. Sathavahana Ispat Ltd.	Independent Director
6	Shri V.H.Ramakrishnan	Independent Director	1. The KCP Ltd.	Independent Director
7	Shri John Eric Bertrand	Non-Executive Director	-	-
8	Shri T.Nagesh Reddy (up to 30.12.2020)	Nominee Director of APIDC (Equity Investor)	-	-
9	Shri Jens Van Nieuwenborgh	Alternate Director to Shri John Eric Bertrand	-	-
10	Mrs.O.Rekha	Independent Director	-	-
11	Mrs.Sudha Rani Naga (w.e.f. 20.01.2021)	Nominee Director from APIDC (Equity Investor)	-	-

(iv) As on 31st March, 2021, none of the Directors on the Board held directorships in more than eight listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2021 have been made by the Directors.

Among the directors, Dr.S.Anand Reddy and Shri S.Sreekanth Reddy are brothers and Smt.S.Rachana is wife of Shri S.Sreekanth Reddy.

(v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

(vi) The Board held five meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are:

29th May, 2020, 29th July, 2020, 21st October, 2020, 20th January, 2021 and 24th March, 2021.

(vii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of Listing Regulations, were placed before the Board for its consideration.

(viii) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.

(ix) During the year, the Independent Directors separately held a meeting on 20th January, 2021.

(x) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.

(xi) The details of the familiarization programme of the Independent Directors are available on the website of the Company (www.sagarcements.in).

(xii) In the opinion of the Board, the independent directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

(xiii) During the year 2020-21, Shri O.Swaminatha Reddy, Chairman and Independent Director resigned from the Board after having spent nearly four decades on the Board. He has confirmed that there were no material reasons other than the one provided by him at the time of his resignation.

(xiv) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:

The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant to performing the function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the whole-time directors of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and cement industry for discharging their responsibilities.

Board Skill Matrix:

In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board, along with the names of the Directors, who have such skill/expertise/competence:

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values

Sl. No	Name of the Director	Skill/Expertise/Competence

1	Shri K.Thanu Pillai	
2	Shri V.H.Ramakrishnan	Business & Industry, Financial Expertise, Governance & Compliance
3	Dr.S.Anand Reddy	
4	Shri S.Sreekanth Reddy	
5	Mrs.S.Rachana	Business & Industry
6	Mrs.O.Rekha	Financial Expertise, Governance & Compliance
7	Shri John Eric Bertrand	Business & Industry, Financial Expertise, Governance & Compliance
8	Mrs.Sudha Rani Naga (Nominee Director)	Accounts

(xv) Details of equity shares of the Company held by the Directors as on 31st March, 2021 are given below:

Name	Category	Number of equity shares
Dr.S.Anand Reddy	Managing Director – Promoter	13,06,524
Shri S.Sreekanth Reddy	Joint Managing Director – Promoter Group	12,39,353
Mrs.S.Rachana	Non-Executive, Promoter Group	11,67,283
Mrs.O.Rekha	Independent and Non-Executive Director	200

As on 31st March, 2021, none of the Non-Executive Directors other than the one mentioned above was holding any shares or convertible securities in the company.

3. AUDIT COMMITTEE

i. The composition of the audit committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in the accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions
  - Qualifications, if any, in the draft audit report.
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls;
- Establishment of vigil mechanism for directors and employees to report their genuine concerns.
- Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of quarterly and annual financial statements before their submission to the Board and discussions on any related issues with the internal and statutory auditors and the management of the Company;
- Review of the information that is required to be carried out mandatorily or otherwise as per Listing Regulations.

iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditors and internal auditors. The Company Secretary acts as the Secretary to the Committee.

iv. Shri R.Soundararajan, Company Secretary, has been appointed as the Compliance Officer by the Board to ensure compliance with and effective implementation of the Insider Trading Code.

v. The previous Annual General Meeting ("AGM") of the Company was held on September 9, 2020 and the Chairman of the audit committee was present at the said meeting.

vi. The composition of the Audit Committee as on 31st March, 2021 and the details of attendance at its meetings held during the year 2020-21 are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri O.Swaminatha Reddy, Chairman (up to 24.6.2020)	Independent Director	5	1
Shri V.H.Ramakrishnan, Chairman (with effect from 29.7.2020)	Independent Director	5	5
Shri K.Thanu Pillai	Independent Director	5	5
Mrs.O.Rekha (with effect from 29.7.2020)	Independent Director	5	4

vii. The Audit committee met 5 times during the year 2020-21 and the dates of these meetings are:

29th May, 2020, 29th July, 2020, 21st October, 2020, 20th January, 2021 and 24th March, 2021.

4. NOMINATION AND REMUNERATION COMMITTEE

i. Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

ii. The terms of reference of the NRC are available on the company's website www.sagarcements.in as part of the Nomination and Remuneration Policy adopted by the company.

Nomination and Remuneration policy:

The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and motivating workforce. Individual performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's web site, www.sagarcements.in.

iii. The details of the composition of the Nomination and Remuneration Committee as on 31st March, 2021, the attendance at its meetings during the year 2020-21, are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri K.Thanu Pillai, Chairman (up to 29.7.2020)	Independent Director	1	1
Shri V.H.Ramakrishnan, Chairman (with effect from 29.7.2020)	Independent Director	1	1
Shri O.Swaminatha Reddy Member (up to 24.6.2020)	Independent Director	1	1
Smt S.Rachana	Non-Executive Director	1	1
Mrs.O.Rekha (with effect from 29.7.2020)	Independent Director	1	-

The NRC had met once during the year 2020-21 on 29th May, 2020.

iv. The Company presently does not have any Employee Stock Option Scheme.

v. Performance Evaluation Criteria / Policy for Directors:

The company has adopted a Policy for evaluating the performance of its management personnel, and the same is available on the company's web site.

5. REMUNERATION OF DIRECTORS

Remuneration to Non-Executive Directors:

Currently, Non-Executive Directors are not paid any remuneration other than the sitting fee of ₹40,000/- for each meeting of the Board and Committees thereof attended by them. This fee was increased from ₹20,000/- to ₹40,000/- with effect from 29th July, 2020. However, sitting fees payable to the nominee director are paid directly to the institution he/she represents.

Details of sitting fees paid to the non-executive directors during the year 2020-21 are given below:

S. No.	Name of the Director	Sitting Fee (In Rupees)
1	Shri O.Swaminatha Reddy (up to 24.6.2020)	60,000
2	Shri K.Thanu Pillai	5,20,000
3	Shri.V.H.Ramakrishnan	4,40,000
4	Shri T.Nagesh Reddy (up to 30.12.2020)/ Mrs.Sudha Rani Naga (with effect from 20.1.2021) (APIDC Nominee) Their sitting fees were directly paid to the Institution they represented.	1,80,000
5	Smt.S.Rachana	2,40,000
6	Mrs.O.Rekha	3,20,000
	Total	**17,60,000**

There are no other pecuniary relationship or transactions between the Non-Executive Directors and the Company.

Remuneration to the Managing Director and Whole time Directors:

The Company pays remuneration to its Managing Director (MD) and Joint Managing Director (JMD) (Whole-time Directors) by way of salary and perquisites, which are fixed components and by way of commission, a variable component. Remuneration to Whole-time Directors is paid in accordance with the recommendation made by the Nomination and Remuneration Committee and the approval as accorded by the Board of Directors, which is subject to further approval of the shareholders.

The whole-time directors were paid the following remuneration for the year 2020-21.

₹ in Lakhs

Description	Dr.S.Anand Reddy (MD)	Shri S.Sreekanth Reddy (JMD)
Salary	120.00	108.00
Perks (75% of the salary)	90.00	81.00
Sub-Total	210.00	189.00
Commission	503.80	503.80
Total	**713.80**	**692.80**

In addition to the above, the Whole-time directors are entitled to contribution to Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of their tenure.

Services of the Whole-time Directors with the company may be terminated by either party, giving the other party six months' notice. No severance fee is contemplated. The company has not issued any stock options to anyone.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

ii. The broad terms of reference of the stakeholders' relationship committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

iii. This Committee had the following directors as its members as on 31st March, 2021:

Name of the Member	Category of the Director
Shri T.Nagesh Reddy, Chairman (up to 30.12.2020)	Nominee/Non-Executive Director
Mrs.Sudha Rani Naga, Chairman (with effect from 20.1.2021)	Nominee/Non-Executive Director
Dr.S.Anand Reddy, Member	Managing Director
Shri K.Thanu Pillai, Member	Independent Director

Shri R.Soundararajan, Company Secretary, is the compliance officer for the above purpose. Based on the information obtained from the Company's Registrars, the Company had received 18 complaints from the investors during the year 2020-21 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There were no complaints pending as on 31st March, 2021.

Sl. No	Particulars	Opening	Received	Resolved	Pending
1	Non-receipt of shares after transfer / transmission	0	0	0	0
2	Non-receipt of dividend warrants	0	15	15	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	0	0	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	3	3	0
	Total	**0**	**18**	**18**	**0**

During the year, one meeting of the Stakeholders' Relationship Committee was held on 20th January, 2021 and all the members of the Committee were duly present at the meeting.

iv. Name, designation and address of Compliance Officer:

Shri R. Soundararajan

Company Secretary

Sagar Cements Limited

Regd. Office: Plot No.111, Road No.10

Jubilee Hills, Hyderabad-500 033

Telephone: 91 40 23351571 Fax: 91 40 23356573

Other Committees

Investment Committee

With a view to evaluating major capital expenditure proposals and investment opportunities available to the Company from time to time, the Board has constituted an Investment Committee with the following directors as its members/Chairman:

Name	Category
Shri O.Swaminatha Reddy (up to 24.6.2020)	Chairman
Shri K.Thanu Pillai (with effect from 29.7.2020)	Chairman
Dr.S.Anand Reddy	Member
Shri V.H.Ramakrishnan (with effect from 29.7.2020)	Member
Mrs.O.Rekha (with effect from 29.7.2020)	Member

Securities Allotment Committee

With a view to allot securities as and when approved by the Board/Shareholders, the company has constituted a committee known as Security Allotment Committee and the following Independent Directors as its members:

Name	Category
Shri O.Swaminatha Reddy (up to 24.6.2020)	Chairman
Shri K.Thanu Pillai (with effect from 29.7.2020)	Chairman
Shri. V.H.Ramakrishnan	Member
Mrs.O.Rekha (with effect from 29.7.2020)	Member

During the year, one meeting of the Securities Allotment Committee was held on 20th July, 2020 and all the members of the Committee were duly present at the meeting.

Corporate Social Responsibility Committee

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Act.

The company is committed to operate and grow its business in a socially responsible way, by, inter-alia, reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will make a big difference. This CSR Policy of the company is guided by the following principles:

1. To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.
2. Growth and environment should go hand in hand.
3. Availing of opportunities for collaborating with different stakeholders including Governments, NGOs, Suppliers and Distributors to tackle the challenges faced by the society.

During the year, one meeting of the Committee was held on 20.01.2021.

The composition of the CSR Committee and details of the attendance at the meeting is given below:

Name of the Member	Category	Number of meetings held during the financial year 2020-21	
		Held	Attended
Shri K.Thanu Pillai, Independent Director	Chairman	1	1
Dr.S.Anand Reddy, Managing Director	Member	1	1
Shri S.Sreekanth Reddy, Joint Managing Director	Member	1	1
Mrs.S.Rachana, Non-Executive Director	Member	1	1

7. GENERAL BODY MEETINGS

i. General Meeting

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

AGM	Date	Time	Venue
39th AGM	9th September,2020	3.00 p.m.	Through VC/ OAVM
38th AGM	24th July, 2019	4.00 p.m.	Hotel Golkonda,
37th AGM	27th September, 2018	4.00 p.m.	Masab Tank, Hyderabad-500 028

Following are the details of Special Resolutions passed in the above said Annual General Meetings:

At the 37th AGM, one special resolution was passed for approving the amendment to the Memorandum of Association of the Company for inserting the following sub-clause after its then existing Sub-clause 7 of Clause III (A):

"8. To promote, own, run, install, takeover, set-up power plants of any kind as may be permitted by law and to generate, co-generate, transmit, buy and distribute electric power for captive consumption, accumulation, sale and re-sale."

No Special Resolutions were passed at the 38th and 39th Annual General Meetings.

Three Special resolutions were passed on 30th November, 2019 through Postal Ballot re-appointing all the three independent directors of the company for a further period of 3 years and M/s.BSS & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) conducted the postal ballot exercise and the voting pattern was as under:

Resolution 1: Re-appointment of Shri O.Swaminatha Reddy as an Independent Director for a term of 3 years w.e.f. 24th September, 2019

Particulars	Aggregate of physical ballot forms and Electronic Voting	Voting Details	
		Number of Votes Cast	%
Total Votes received	101	1,72,11,221	100
Less: Total number of votes Invalid/ abstained	2	107	-
Total Number of Valid Votes	99	1,72,11,114	100
Favour to resolution	91	1,70,56,017	99.10
Against to Resolution	8	1,55,097	0.90

Resolution 2: Re-appointment of Shri K.Thanu Pillai as an Independent Director for a term of 3 years w.e.f. 24th September, 2019

Particulars	Aggregate of physical ballot forms and Electronic Voting	Voting Details	
		Number of Votes Cast	%
Total Votes received	101	1,72,11,221	100
Less: Total number of votes Invalid/ abstained	3	182	-
Total Number of Valid Votes	98	1,72,11,039	100
Favour to resolution	89	1,70,55,842	99.10
Against to Resolution	9	1,55,197	0.90

Resolution 3: Re-appointment of Shri V.H.Ramakrishnan as an Independent Director for a term of 3 years w.e.f. 30th March, 2020

Particulars	Aggregate of physical ballot forms and Electronic Voting	Voting Details	
		Number of Votes Cast	%
Total Votes received	101	1,72,11,221	100
Less: Total number of votes Invalid/ abstained	2	107	-
Total Number of Valid Votes	99	1,72,11,114	100
Favour to resolution	94	1,72,10,888	99.99
Against to Resolution	5	226	Negligible

There is no proposal to pass any special resolution exclusively through postal ballot.

Procedure for Postal Ballot – when conducted

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote either by physical ballot or through e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available, or in physical form through permitted mode where email addresses are not available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting or through postal ballot during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of conclusion of the voting period. The results are displayed on the website of the Company (www.sagarcements.in), and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting.

8. MEANS OF COMMUNICATION

Quarterly results:

As part of compliance with Regulation 33, 10 and 47 of the SEBI Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations.

Newspapers in which the results were published:

Details of newspapers in which quarterly results relating to the Financial Year 2020-21 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30th June, 2020	31st July, 2020	Financial Express and Andhra Prabha
30th September, 2020	23rd October, 2020	
31st December, 2020	21st January, 2021	
31st March, 2021	14th May, 2021	

Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website 'www.sagarcements.in' and also on the website of NSE and BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

Press Release

Press Releases as and when issued by the company following the publication of financial results in respect of financial results are also made available at the company's website.

Presentation made to Institutional Investors and Financial Analysts:

Excepting on occasions when the Company had to respond in a general way to the queries now and then received from investors / analysts regarding the affairs of the company, there were no specific presentations made to any of them during the year 2020-21. Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts / investors following the declaration of financial results are also put up on the company's website.

Management Discussion and Analysis Report

The Annual Report of the Company contains the Management Discussion and Analysis as annexure to the Directors' Report.

Subsidiary companies

The Company has two wholly owned subsidiaries viz., Sagar Cements (R) Limited and Jajpur Cements Private Limited and one subsidiary viz., Satguru Cement Private Limited. The audit committee reviews the consolidated financial statements of the Company containing financials of these subsidiaries. The minutes of the board meetings of the subsidiaries are periodically placed before the Board of Directors of the Company. Shri K.Thanu Pillai, Shri V.H.Ramakrishnan and Mrs.O.Rekha, who are independent directors of the company are also on the Board of the Sagar Cements (R) Limited, which is a "Material Subsidiary".

9. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting:

Date & Time	2.00 p.m. on Wednesday, the 28th July, 2021
Venue	Through Video Conference /Other Audio Visual Means

b. Financial Year: 1st April, 2020 to 31st March, 2021

c. Book Closure Dates: From 20.7.2021 to 28.7.2021 (both days inclusive)

d. Dividend payment date:

The Board had declared two interim dividends aggregating to ₹4.00 per share for the year 2020-21 and the same was already paid to the shareholders during 2020-21.

The above interim dividends aggregating to ₹4.00 per share (40%) already paid and the further dividend of ₹2.50 per share (25%) since recommended for payment are subject to declaration by the shareholders at their ensuing 40th Annual General Meeting.

e. Listing on Stock Exchanges:

The paid up share capital of the company as on 31st March, 2021 was ₹23,50,00,000/- consisting of 2,35,00,000 equity shares of ₹10/- each. All these shares have been listed on the National Stock Exchange of India Ltd. Mumbai and BSE Ltd., Mumbai. There are no dues against listing fee payable to these stock exchanges.

f. Stock and ISIN Codes for the Company's shares:

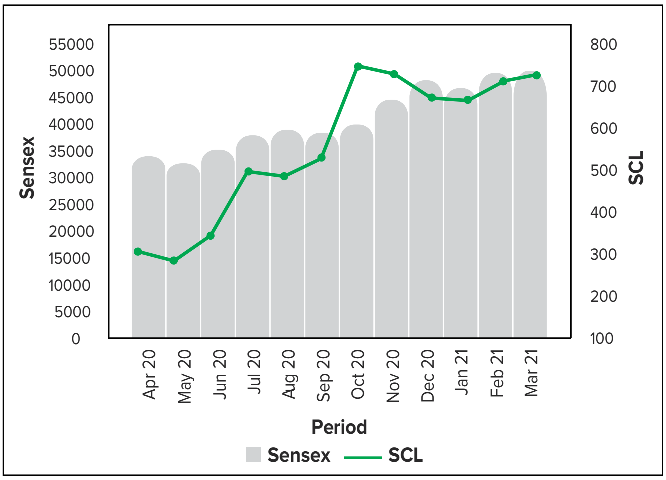
Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	502090
ISIN	INE229C01013

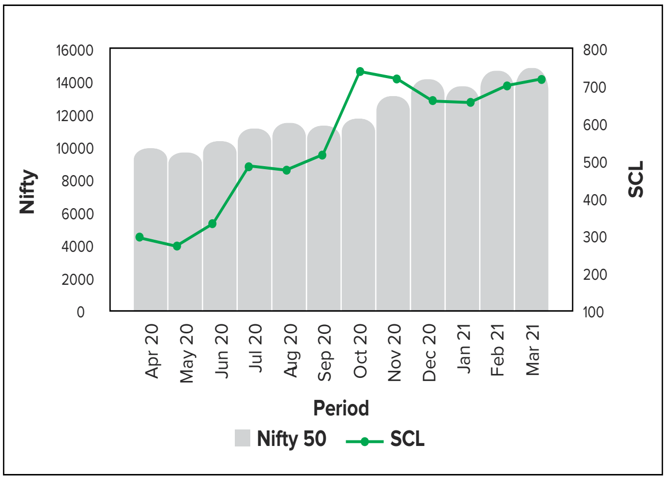
g. Market price details:

Monthly High, Low and closing prices for the Company's shares during the Financial Year as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

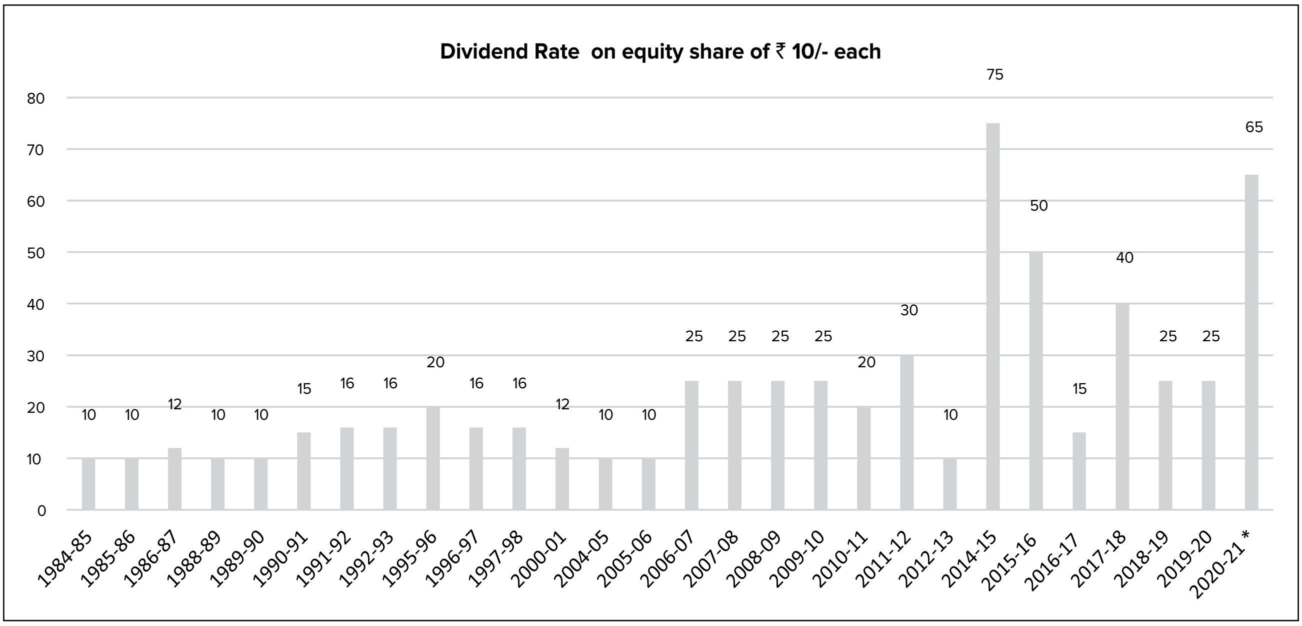
Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2020	330.65	282.00	296.85	340.00	276.35	298.65
May 2020	305.00	263.00	274.25	303.00	255.00	275.75
June 2020	374.95	281.00	334.40	373.90	281.00	334.45
July 2020	528.20	320.05	484.40	530.00	331.15	485.45
August 2020	520.00	447.90	473.05	520.00	451.25	473.30
September 2020	540.00	448.75	514.70	540.00	444.00	516.00
October 2020	828.95	512.05	732.20	820.90	511.10	733.15
November 2020	770.00	696.00	713.65	770.00	700.00	714.30
December 2020	765.00	591.15	657.30	767.00	590.00	655.25
January 2021	769.50	637.95	651.00	769.00	647.25	651.25
February 2021	727.95	656.35	697.30	728.05	611.00	698.40
March 2021	752.45	684.50	714.15	752.90	680.00	715.05

The Company Share Price movements during the year 2020-21 as compared with SENSEX and NIFTY, are depicted below:





h. Dividend History



* subject to the confirmation /declaration of the shareholders at the ensuing AGM, the Board has recommended a dividend at ₹6.50 per share (65%) including ₹4.00 per share (40%) already paid as interim dividends for the year 2020-21.

The voting rights on the unclaimed shares outstanding as on 31st March, 2021 shall remain frozen till the rightful owners of such shares claim the shares concerned.

i. Transfer of unclaimed / unpaid dividend amounts to the Investor Education and Protection Fund ("IEPF"):

The un-claimed dividends for the financial year ended 31st March, 1996 onwards and up to the financial year ended 31st March, 2013 (Final dividend) were duly transferred to the Investor Education and Protection Fund set up by the Government of India in accordance with the Act as applicable at the time of such transfer. Details of the unclaimed dividends for the subsequent periods are available on the company's website, www.sagarcements.in.

j. Registrars and Share Transfer Agents:

KFin Technologies Private Limited

Selenium Building, Tower B, Plot No(s) 31-32, Gachibowli,

Financial District, Nanakramguda, Serilingampally Mandal

Hyderabad -500032

Toll Free No: 1800-3094-001

e-mail: einward.ris@kfintech.com

Website: https://www.kfintech.com

k. Share Transfer System:

Around 99.15% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dated 8th June, 2018, with effect from 1st April, 2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/ Registrar (RTA), if the shares concerned are held in physical form.

As regards transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/legal heir certificate can be lodged either with the Company at its Registered Office or with the Company's Registrars and Share Transfer Agents, whose address has been given above.

l. Shareholdings particulars as on 31st March, 2021

(i) Distribution of shareholdings:

Sl. No	Category (Shares)	No. of Shareholders	%	No. of Shares	%
1	1 - 50	8591	60.49	152415	0.65
2	51 - 100	3517	24.76	329442	1.40
3	101 - 200	889	6.26	149081	0.63
4	201 - 300	329	2.32	89466	0.38
5	301 - 500	342	2.41	150442	0.64
6	501 - 1000	269	1.89	212004	0.90
7	1001 - 5000	199	1.40	423575	1.80
8	5001 - 10000	23	0.16	164373	0.70
9	10001 - 20000	13	0.09	167435	0.71
10	20001 - 50000	6	0.04	172027	0.73
11	50001 - 100000	1	0.01	62767	0.27
12	100001 and above	23	0.16	21426973	91.18
	TOTAL:	**14202**	**100.00**	**23500000**	**100.00**

(ii) Shareholding pattern:

Description	No. of holders	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	11815552	50.28	11815552	50.28
Domestic Companies	124	6231148	26.51	6228397	26.50
Mutual Funds	8	2607616	11.10	2606416	11.09
Public - Individuals	13486	1544433	6.57	1352513	5.76
Foreign Portfolio Investors	16	760882	3.24	760882	3.24
Insurance Companies	1	153828	0.65	153828	0.65
Non Resident Indians	297	154002	0.66	154002	0.66
Hindu Undivided Families	208	40971	0.17	40971	0.17
Clearing Members	42	12968	0.06	12968	0.06
Indian Financial Institutions/Banks	4	3950	0.02	100	0.00
IEPF	1	173762	0.74	173762	0.74
Trusts	1	988	0.00	888	0.00
Total	**14202**	**23500000**	**100.00**	**23300279**	**99.15**

m. Dematerialization of Shares and liquidity:

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is – INE229C01013. Shares representing more than 99.15% of the share capital were kept in dematerialized form as on 31st March, 2021 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
199721	0.85	13337485	56.76	9962794	42.39	23500000	100

n. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:

The company has not issued any GDR/ADR.

The company had issued 31,00,000 warrants each convertible into one equity share against which up to 31st March, 2021, all the above said warrants have since been and after conversion, the equity share capital of the company is ₹23.50 crores divided into 2,35,00,000 equity shares of ₹10/- each.

All the 31,00,000 warrants earlier issued by the company have since been converted into 31,00,000 equity shares of ₹10/- each and post this conversion, there are no outstanding warrants.

o. Plants Location:

Cement Plants:

1. Mattampally

   Via: Huzurnagar

   Suryapet District, Telangana – 508204

   Tel: 08683 - 247039

2. Bayyavaram Village

   Kasimkota Mandal

   Visakhapatnam District

   Andhra Pradesh – 531031

   Tel: 08924 – 244098 / 244550

Hydel Power Plants:

1. Guntur Branch Canal Hydel Project

   Tsallagundla Adda Road, Nekarikallu Mandal

   Guntur District, Andhra Pradesh-522 615

2. Lock-in-Sula Hydel Project

   Banumukkala Village, Banakacherla Regulator

   Pamulapadu Mandal, Kurnool District, A.P.-518 422

Plant location of the Subsidiary viz., Sagar Cements (R) Ltd.:

Gudipadu Village and Post

Yadiki Mandal, Ananthapur District

Andhra Pradesh-515408

Tel: 08558-200272

Plant location of the Subsidiary viz., Satguru Cement Pvt.Ltd. (Project under implementation)

Karondiya (Vill.)

Post – Jeerabad-454446

Tehsil Gandhwani

Dist.Dhar (M.P.)

Plant location of the Subsidiary viz., Jajpur Cements Pvt.Ltd. (Project under implementation)

Kalinganagar, Industrial Complex

Tahsil-Dangadi

Dist-Jajpur, Odisha.

p. Address for investors related correspondence:

Company Secretary

Sagar Cements Limited

Registered Office: Plot No.111, Road No.10, Jubilee Hills

Hyderabad – 500033

Tel. 040 – 23351571 Fax: 040 – 23356573

Email: soundar@sagarcements.in

10. OTHER DISCLOSURES

i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2020-21 as per the Ind AS 24 issued by Institute of Chartered Accountants of India (“the ICAI”) have been given under Note 35 of the Notes to Standalone Financial Statements for the year ended 31st March, 2021. These transactions were entered into by the company in its ordinary course of business and at arm’s length basis. There were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions.

ii. **Statutory compliance, Penalties and Strictures:**

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

iii. **Establishment of Vigil mechanism, Whistle Blower Policy and affirmation**

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company. No personnel has been /will be denied access to the audit committee.

iv. **Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:**

(a) The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations.

(b) The audited financial statements of the Company are unqualified.

(c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

v. The Policy on dealing with related party transactions and the policy for determining ₹material' subsidiaries are available on the company's website http://www.sagarcements.in/ PolicyonRelatedPartyTransaction.html) and (http://www.sagarcements.in/PolicyonMaterialSubsidiary.html) respectively.

vi. **Commodity Price risks and hedging activities:**

Commodity price risk is a financial risk on an entity's financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces.

Any Sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company.

Sagar Cements Limited has captive limestone mine which is one of the major raw materials to produce cement. Commodities like Iron ore, bauxite and laterite are utilized in the manufacturing process but they are not significant.

Further the price of other major raw materials like Coal and Pet Coke which are close to 30% of the cost of production, have a significant impact on the performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials to meet around six months of its operational requirement, by optimizing the domestic and import sources through establishment of long term financial instruments.

Company's current exposures to the major commodities are given below:

Commodity Name	Exposure INR (₹ in Crores)	Exposure in Qty in (MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke	71	1,11,707	100%	-	100%	-	100%

vii. Details of utilization of funds raised through issue of convertible warrants of ₹730/- each as on 31.3.2021 for acquisition of Satguru Cement Pvt.Ltd., and Jajpur Cements Pvt.Ltd., for setting-up an integrated cement plant and a grinding station respectively and for meeting other general corporate purposes.

Particulars		
Upfront amount of 25% received against allotment of 31,00,000 convertible warrants of ₹730/- each	56,57,50,000	-
Balance money at ₹547.50 per warrant against 31,00,000 warrants since converted into 31,00,000 equity shares	169,72,50,000	-
Total		**226,30,00,000**
Utilisation as on 31.3.2021		
Investment made in Jajpur Cements Pvt.Ltd., a Wholly-owned Subsidiary in the form of equity capital	76,30,04,212	
Investment made in Satguru Cement Pvt.Ltd., a Subsidiary in the form of equity capital and premium thereon	149,99,95,788	
Towards other general corporate purpose	0	
Utilization as on 31.3.2021		**226,30,00,000**

viii. Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.

ix. None of the recommendation made by the Audit Committee at its meetings was rejected by the Board.

x. Fee paid to Statutory Auditors:

A total fee of ₹91 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company and to its subsidiaries viz., Sagar Cements (R) Limited, Satguru Cement Private Limited and Jajpur Cements Private Limited for the year 2020-21.

xi. Disclosure in relation to sexual harassment

During the year 2020-21, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

xii. Reconciliation of Share Capital Audit

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

xiii. The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company www.sagarcements.in.

xiv. Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended 31st March, 2021 with the Code applicable to them. A certificate by the CEO and Managing Director to this effect has been given in the annexure to this report.

11. The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the SEBI Listing Regulation.

12. The following discretionary requirements have been adopted pursuant to Part E of Schedule II of SEBI Listing Regulations.

(a) The Internal Auditors of the company are directly reporting to the Audit Committee.

(b) The financial statements of the company are with un-modified opinion.

13. Excepting to the extent of the delay in the appointment of independent women director, the company is otherwise in due compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

14. The compliance certificate from the auditors regarding compliance of conditions of corporate governance has been annexed to the Directors Report.

15. THE DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT (UNCLAIMED SHARES)

Pursuant to Regulation 39 of the SEBI Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on their response, such shares have been transferred to "unclaimed suspense account" as per the provisions of Schedule VI of the SEBI Listing Regulations. The disclosure as required under Schedule V of the SEBI Listing Regulations is given below:

Disclosure with respect to unclaimed shares:

S. No.	Description	Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	5	1000
b	Number of shareholders who approached claiming shares against the above	1	200
c	Number of shareholders to whom shares were transferred against (a) above	-	-
d	Shares transferred to IEPF under Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	-	-
e	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	4	800

BUSINESS RESPONSIBILITY REPORT

Under the regulation 34 of the Listing Regulations, as currently applicable, top 1,000 listed companies are required to submit the Business Responsibility Report as part of their Annual Report describing the initiatives taken by them from an environmental, social and Governance perspective, in the format prescribed for the purpose.

The company recognizes that the business enterprises are accountable not only to their shareholders from a financial performance prospective but also to the larger society which is also its stakeholder. The enterprises are increasingly seen a critical component of the social system. Adoption of good business practices in the interest of the social set-up and the environment are therefore as vital as their financial and operational performance.

The initiatives taken by the Company in fulfilling the above objectives are given below in the prescribed format: -

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	
1	Corporate Identity Number (CIN) of the Company	L26942TG1981PLC002887
2	Name of the Company	SAGAR CEMENTS LIMITED
3	Registered address	Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033, Telangana, India
4	Website	www.sagarcements.in
5	E-mail ID	info@sagarcements.in
6	Financial Year reported	Year ended 31st March, 2021
7	Sector(s) that the Company is engaged in (Industrial activity code wise)	**Group** 239; **Class** 2394; **Sub Class** 23941 & 23942; **Description** Manufacture of Clinker and Cement
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Manufacture of Clinker & Cements of OPC, PPC, PSC, SRC & GGBS grades
9	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5) :	Nil
	b) Number of National Locations	**Cement Plants:** Mattampally, Via, Huzurnagar, Suryapet District Telangana-508204 Bayyavaram Village, Kasimkota Mandal Visakhapatnam District-531031, Andhra Pradesh **Hydel Power Units:** Guntur Branch Canal Hydel Project Tsallagundla Adda Road, Nekarikallu Mandal Guntur District-522 615, Andhra Pradesh Lock-in-Sula Hydel Project Banumukkala Village, Banakacherla Regulator Pamulapadu Mandal, Kurnool District-518 422 Andhra Pradesh
10	Markets served by the Company- Local / State / National / International	**Local** √; **State** √; **National** √; **International** -

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid-up Capital (INR)	₹2,350 lakhs
2	Total Turnover (INR)	₹ 97,969 lakhs
3	Total profit after taxes (INR)	₹ 16,196 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹130 lakhs on CSR activities, constituting 3.52% of the average profit after taxes in the previous three financial years.
5	List of activities on which expenditure in 4 above has been incurred: - All CSR activities conducted by the Company are in alignment with those identified under Schedule VII of Companies Act, 2013 and are listed as follows:	

S. No	CSR Project or activity identified under Schedule VII of Companies Act, 2013	Sector in which the project is covered	Expenditure incurred during the period in ₹
1	Preventive health care and for promotion of safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	45,22,757
2	Training and education	Promotion of Education and infrastructure for it.	8,91,118
3	Training and promotion of sports	Organizing sports events and sponsor of sports personnel	26,00,000
4	Rural Development	Laying of Roads and related works	50,19,438
	Total CSR spent		**1,30,33,313**

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?	Yes. The Company has 3 subsidiary companies viz., Sagar Cements (R) Limited Satguru Cement Private Limited Jajpur Cements Private Limited
	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	Yes, one of the subsidiary Companies, Sagar Cements (R) Limited participates in the BR initiatives of the parent Company. The other two subsidiaries are yet to commission their respective projects, which are under implementation stage.
	Do any other entity / entities (e.g. suppliers, distributors etc.) participate in the BR initiatives of the Company. If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with whom the Company does business do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy / policies

1	DIN Number	00123889
2	Name	Shri S. Sreekanth Reddy
3	Designation	Joint Managing Director

(b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number	00123889
2.	Name	Shri S. Sreekanth Reddy
3.	Designation	Joint Managing Director
4.	Telephone number	040 23351571
5.	e-mail id	sreekanth@sagarcements.in

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

The nine principles are as under:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all its employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all their stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://sagarcements.in/investors/policies								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in–house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	The Company publishes its Sustainability Report on an Annual basis which is GRI Standards compliant A+ i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, https://sagarcements.in/investors/policies For the Financial Year 2021, the Company is publishing the integrated annual report and hence, no separate Sustainability Report shall be published. The Integrated Annual Report can be accessed from website of the Company through the link https://sagarcements.in/investors/policies								

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

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

3. Governance related to BR:

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The Joint Managing Director along with other senior officials of the Company assesses the BR performance of the Company on a monthly basis and then appraise the same to the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes its Sustainability Report on an Annual basis which is GRI Standards compliant A+ i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, https://sagarcements.in/investors/policies For the Financial Year 2021, the Company is publishing the integrated annual report and hence, no separate Sustainability Report shall be published. The Integrated Annual Report can be accessed from website of the Company through the link https://sagarcements.in/investors/policies

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable

(1)	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company has got a Code of Conduct and Vigil Mechanism that were approved by the Board of Directors. These are applicable to the Board Members and Senior Management of the Company and an annual affirmation on compliance of the Code is obtained from them. The Company persuade parties associated with it to follow the principles of ethics, etc. and gives importance to Corporate Governance which is an integral part of the management of the Company.
(2)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	There were no complaints on ethics / transparency and accountability during the year.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

(1) List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

(a) The Company is engaged in the manufacture of cement that helps customers to build sustainable structures which are more durable and more environmental friendly and resource efficient. The Company is primarily engaged in the production of blended cement which uses fly-ash, a natural waste, as an additive and slag a waste from blast furnace in steel plants contributing toward the improvement in the environment.

b) The Company also concentrates on reducing the use of clinker in the cement thereby resulting in conservation of lime stone and reducing the CO2 emissions.

c) The Company also effectively generates power from its waste heat recovery, solar and hydel power plants, addressing the carbon emissions, saving of fuels in the process of power generation.

d) The Company is also making efforts in water conservation by means of rain water harvesting, use of water rejected, after treatment in process.

e) The Company is also making efforts in the use of AFR (Alternate Fuels and Raw materials) in its production process and has made significant progress on this front. The Company is working on putting the robust framework in place for improved use of AFR.

f) The Company is committed to make efforts to reduce C02 intensity of its products, while pursuing furthering the CO2 reduction vide conventional levers like; improved resource efficiency, use of waste materials, improved energy efficiency, improved ratio of renewal energy, reduction of emissions in transport etc. Company is extending support / collaborating with IIT Hyderabad, other Government organizations in their R&D activities in the field of Carbon Capture, Storage & Usage (CCSU)

g) The Company achieved significant success in making its operations environment friendly and the production plant at Bayyavaram is accredited as GRRENCO PLATINUM while its other plants at Mattampally & subsidiary Company unit located at Gudipadu are accredited as GRRENCO GOLD. The cement produced at all these 3 plants are accredited as GREEN CEMENT PRODUCTS (GREENPRO).

(2) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

On the production front, the Company has been continuously striving hard to reduce the power and fuel consumption thereby contributing for the improvement of environment. Supply chain management plays a key role in achieving economies in cost of inward materials and logistics cost of outward movement. The Company could achieve significant success in its efforts to reduce CO2 emission from transportation by means of increased use of rail transport, increased quantity of Bulk Transport, Increased ratio of two way (bi-directional) transport.

The details of power and fuel consumption are as follows:

Consumption per unit of Production	FY 2020-21	FY 2019-20
Electricity (KWH/T of Cement)	75.85	76.05
Thermal Energy (K.Cal/Kg of Clinker)	723	752

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The end usage of cement by customers and its purposes are not available with the Company and hence the reduction in consumption of energy and water by them by utilizing our product cannot be quantified. However the Company is promoting & providing technical support for adopting environment friendly practices in the use of cement and in construction.

(3)	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The major raw material required for the Company is lime stone and the plant is located in proximity to the lime stone deposits resulting in the minimum of transport cost, with lesser fuel and lesser carbon emission. Also the Company has installed a crusher machinery in the mine and below ground level, avoiding ramp thereby reducing vehicle transport distance and fuel consumption. With an intent to further optimize the energy use, the Company has installed Secondary Crusher to further size reduction thereby achieving further reduction in specific electric energy consumption Most of the other raw materials are procured by the Company from nearby sources and their selection process and practices adopted by the Company are focused towards delivering quality raw material at the cheapest costs incurring very less freights in a sustainable manner. All the inputs are sourced on a sustainable basis and the Company has also long term agreements / leases in place for gypsum, lime stone, fly-ash, slag etc. The Company is increasing the usage of alternative fuels in its process.
(4)	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to local vendors for supply of stores, spares, PP bags and repair works. Contractors who are engaged in the repairs and maintenance of plants are employing their workmen from the nearby villages by providing opportunities to them to earn livelihood. The local vendors are provided with safety equipment and apparatus and are expected to adhere to the safety procedures of the Company. Skilled engineers of the Company are visiting the suppliers manufacturing units and offices at regular intervals and interacting with them to promote their skill development and also in making their operations and practices more environment friendly.
5	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	The Company is engaged in manufacture of cement and power and does not directly discharge any effluent or wastes. The fly-ash from its power plants are entirely used in the cement production. The waste water discharged from the power plant operations is purified, recycled and used in process, for dust separation, gardening and house-keeping in the colony. The excess heat available from the kiln is also captured by the waste heat recovery plant and used for generation of power at the cheapest cost. All waste materials like copper slag, fly ash, gypsum are being used in the process. Oil wastes are disposed of duly complying with pollution control procedures to approved vendors.

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

1	Please indicate the Total number of employees.	No. of permanent employees is 556 (Managerial - 161& Non-Managerial - 393)
2	Please indicate the Total number of employees hired on temporary / contractual / casual basis	Number of Contract Employees engaged through Registered / contractual / casual basis. Licensed Contractors - 548 (Packing Plant & Other areas) (Mines & security not included)
3	Please indicate the Number of permanent women employees	7
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by the management	Yes. There are recognized trade unions constituted as per the terms of the Trade Unions Act at the Company's manufacturing units.
6	What percentage of your permanent employees is members of this recognized employee association?	45.45 %
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	See table below

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	NA
2	Sexual harassment	Nil	NA
3	Discriminatory employment	Nil	NA

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	The EHS audit has been carried out in all 3 of the Company's production facilities by the renowned NSC (National Safety Council) expert teams. The employees of the Company got trained and the recommendations received from the audit are being implemented by the Company's trained personnel.
	(a) Permanent Employees	45.49%
	(b) Permanent Women Employees	Nil
	(c) Casual / Temporary / Contractual Employees	50.73%
	(d) Employees with Disabilities	Nil

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders

1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes.
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company is in the process of identifying its marginalised stakeholders by way of vendors, stockiest and contract workers who are situated in and around its factory locations which are essentially under-developed locations requiring attention.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Most of the Corporate Social Responsibility (CSR) activities undertaken by the Company are towards the welfare of the people and stakeholders in and around factory locations by providing health and sanitary care, educational facilities and vocational training, infrastructural facilities like road, water, etc. Most of the welfare schemes undertaken by the Company are targeted towards upliftment of the poor and down-trodden and marginalized stakeholders located in and around factories to enable them to have a sustainable livelihood, aimed at rural development. During the Covid-19 pandemic, the Company had carried out the sanitization near the plant and provided the dry and cooked food as immediate relief to the stranded workers. Awareness programs were conducted on the usage of masks, hand washing and social distancing.

Principle 5: Businesses should respect and promote human rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / Others?	The Company does have a Human Rights policy which currently covers only the employees of the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management ?	No complaints for violation of human rights were received by the Company during the financial year.

Principle 6: Businesses should respect, protect and make efforts to protect and restore the environment

1	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.	The Company has a Policy on Safety Health and Environment (SHE), which covers all the operations of the Company. Subsidiaries are not covered in BR initiatives of the Company.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.	Yes. The Company is committed to reduce Greenhouse Gas (GHG) emissions and have got short-term and long-term targets in this regard. All these targets are aimed at: a) Improving the blended cement ratio by using slag and fly ash and by reducing clinker factor in the overall cement by paving way for carbon reduction. b) Continuous focus on reduction of thermal and electrical energy consumption. c) Continuous efforts to increase the ratio of Renewable energy to total energy. d) Continuous efforts to increase (TSR) Thermal Substitution Ratio. e) Installation of Waste Recovery System and renewable energy in the form of hydel power plants. f) Utilization of waste products from its thermal power plants like fly ash to improve the environment. g) Development of ponds and afforestation of the mined area to ensure greener environment. h) Installation of high efficiency bag filters in place of ESPs to ensure emissions are well within the permissible limits and continuous monitoring of the same by relevant authorities.
3	Does the Company identify and assess potential environmental risks? Y / N	The Company has a Risk Management Policy and the potential environmental risk and other risks form part of Business Risk Management review, where all such risks are identified and mitigation process are formulated.
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for webpage etc.	(a) As already mentioned, the Company has taken lot of steps towards clean technology, energy efficiency and renewable energy through installation of 8.3 MWH hydel power plants, 1.45 MWH solar power plant and 8.8 MWH Waste heat recovery plant. The Company is focusing on improving the usage of additives and reducing the clinker in cement to ensure carbon reduction and also focus on value added varieties of cements. The Company continuously monitor and takes measures for reducing power and fuel consumption. The Company is closely following the Technology advancements in energy storage sectors and will adapt as soon as they become feasible to augment the renewable energy generation & use and also mobility.
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported ?	Yes. Emissions / Waste generated by the Company are within the permissible limits prescribed by the Central and State Pollution Control Boards. There are no significant wastes produced by the Company.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No

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

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is a member of: (a) Cement Manufacturers Association (CMA) (b) National Council for Cement and Building Materials (NCCBM) (c) Confederation of Indian Industry (CII) (d) Federation of Indian Chambers of Commerce and Industry (FICCI) (e) South India Cement Manufacturers Association (SICMA)
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes /No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) ?	No

Principle 8: Businesses should promote inclusive growth and equitable development

1	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof	As part of CSR, the Company has developed detailed programmes focused on developing the neighborhood and ensuring a better livelihood for the underprivileged people. Towards these programmes, all stakeholder groups are addressed which, inter alia, include promotion of basic education, rural employment, sustainable operations of the public health centers, development of infrastructure like roads, lights, drinking water supply, medical camps and facilities and social reforms, which will ultimately pave way for a sustained livelihood for the neighborhood.
2	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization ?	The Company's projects are implemented through In-house. Some of the healthcare and welfare activities are also being undertaken through governmental agencies and private hospitals and NGOs
3	Have you done any impact assessment of your initiative ?	The Company is generally reviewing the impact assessment of its CSR initiatives, which is reflected in the form of feedback from the beneficiaries. However, the Company is also in the process of formulating a scheme for a systematic review of the performance of the various programmes and the resultant benefits.
4	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	₹ 130 Lakhs towards Eradication of Poverty, Promotion of Education and Skill Development, Rural Development, Environment, Rural Sports, Promotion of Gender Equality etc., as detailed in Sl. No. 4 under Section B of this Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The Company follows a process before undertaking any community development project. These projects are undertaken based on either the request from the community or based on the survey and initiative taken by the Company for improvement of the society and the environment. An assessment report is prepared regarding the cost and benefits that will accrue to the community people and based on the importance, these projects are listed and being implemented one by one on various issues like primary education improving the educational facilities, providing furniture to schools, maintenance of primary health centers, drinking water supply scheme, healthcare and sanitation and infrastructure development.

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

1	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	The Company has been continuously meeting its stockiest and consumers to appraise them on various issues regarding quality, setting time, strength, etc. and also to understand their concerns. Most of the concerns are being reviewed regularly and then resolved immediately then and there to their satisfaction. There were no complaints from end-consumers pending as of 31.03.2021 from consumers.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	The Company displays all the information regarding the product on the cement bag as mandated by Bureau of Indian Standards (BIS) and relevant Local Laws as applicable.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	The Company does not indulge in any anti-competitive activities. There were no complaints pending in this respect.
4	Did your Company carryout any consumer survey / consumer satisfaction trends?	The senior marketing officials periodically visit main customers, namely, stockiest, sub-dealers, consumers, as part of the appraisal programme and get the feedback on the satisfaction levels on supply, quality and other terms, etc.

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
M/s. Sagar Cements Ltd,
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad,
Telangana – 500033.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sagar Cements Ltd., having CIN L26942TG1981PLC002887 and having registered office at Plot No.111, Road No.10, Jubilee Hills, Hyderabad, Telangana - 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 has been debarred or disqualified from being appointed or continuing as Director of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Anand Reddy Sammidi	00123870	21/11/2007
02	Sreekanth Reddy Sammidi	00123889	26/06/2008
03	Kolappa Thanu Pillai	00123920	30/01/2012
04	Valliyur Hariharan Ramakrishnan	00143948	23/09/2015
05	Rachana Sammidi	01590516	18/03/2015
06	John Eric Bertrand	06391176	17/10/2012
07	Jens Van Nieuwenborgh (Alternate Director to John Eric Bertrand)	07638244	20/11/2018
08	Rekha Onteddu	07938776	30/06/2020
09	Sudha Rani Naga (Nominee Director)	09032212	20/01/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **B S S& Associates**
Company Secretaries

S. Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119C000456256

Place: Hyderabad
Date: 14.06.2021

DECLARATION REGARDING COMPLAINCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website.

I confirm that the company has in respect of the year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice President and above cadre and the Company Secretary as on March 31, 2021.

Hyderabad
14th June 2021

Dr. S. Anand Reddy
Managing Director

Independent Auditor's Certificate on Corporate Governance

To the Members of **Sagar Cements Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated October 01, 2020.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Sagar Cements Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 21201193AAAAEK665)

Place: Hyderabad
Date: June 23, 2021

Independent Auditor's Report

To The Members of Sagar Cements Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Sagar Cements Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Revenue recognition – Price Equalizer Discounts **(Refer Note 41 of the Standalone financial statements)** • Revenue is measured net of discounts earned by customers on the Company's sales. • Due to the Company's presence across different marketing regions within the country and the competitive business environment, price equalizer discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which are collated periodically by the management and are prone to manual interventions. • Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price equalizer discounts. • Given the complexity involved in the assessment of price equalizer discounts and their periodic recognition against sales, the same is considered as key audit matter.	**Principal audit procedures performed:** • Assessed the appropriateness of the Company's accounting policies relating to price equalizer discounts by comparing with applicable accounting standards. • Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes. • Obtained and inspected, on a sample basis, supporting documentation for price equalizer discounts recorded and credit note issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Compared the historical trend of price equalizer discounts to sales made to determine the appropriateness of current year's discount charge.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Integrated report and Management Discussion and Analysis Report including Annexures and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report:

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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / payable by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADJ2094)

Place: Hyderabad
Date: May 12, 2021

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Sagar Cements Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADJ2094)

Place: Hyderabad
Date: May 12, 2021

Annexure B to the Independent Auditor's Report

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lender. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts has been regular and interest have been regular as per stipulations except for interest relating to one loan, which has not been repaid owing to certain contractual obligations which prevent the party from repayment.

c) There is no overdue amount remaining outstanding as at the balance sheet.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit falling under the purview of the provisions of section 73 to 76 of the Companies Act, 2013 during the year and does not have any unclaimed deposits, and hence reporting under clause (v) of the order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Entry Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount relates	Amount involved (₹ Lakhs)	Amount Unpaid (₹ Lakhs)
Central Excise Act, 1944	Excise Duty	CESTAT	2011-12 to 2012-13	214	168
		Commissioner of Appeals	2010-11 to 2017-18	1,301	11
		Assistant Commissioner	2014 -15 to 2015-16	41	41
Sales Tax and VAT laws	Sales Tax and VAT	Sales Tax Appellate Tribunal	1999-2000	20	15
		High Court of Telangana and Andhra Pradesh	2010-11	7	7
		High Court of Telangana	2017-18 to 2018-19	209	157
The Customs Act, 1962	Customs Duty	CESTAT	2012-13	193	189
The Finance Act, 1994	Service Tax	Assistant Commissioner	2016-17 to 2017-18	181	175
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10 to 2010-11	28	28
		Commissioner of Income-tax (Appeals)	2012-13	25	-
		Commissioner of Income-tax (Appeals)	2017-18	92	92
Local Areas Act, 2001	Entry Tax	Additional Divisional Commissioner, Rural Division, Hyderabad	2012-13 to 2015-16	11	7
		High Court of Telangana and Andhra Pradesh	2016-17 to 2017-18	88	66

There are no dues of Goods and Services Tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares and Company has not issued any debentures during the year under review.

In respect of the above issue, we further report that:

a. the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b. the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADJ2094)

Place: Hyderabad
Date: May 12, 2021

Balance Sheet
as on March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	79,241	83,275
(b) Capital work-in-progress		2,536	1,983
(c) Intangible assets	3	23	13
(d) Right of use assets	4	55	130
(e) Financial assets			
(i) Investments	5	62,128	47,726
(ii) Loans	6	2,500	-
(iii) Other financial assets	7	1,263	1,381
(f) Income tax assets (net)	27	274	308
(g) Other non-current assets	8	1,160	859
Total Non-current assets		**1,49,180**	**1,35,675**
Current assets			
(a) Inventories	9	9,197	8,067
(b) Financial assets			
(i) Trade receivables	10	7,305	9,486
(ii) Cash and cash equivalents	11	19,433	171
(iii) Bank balances other than cash and cash equivalents	12	914	843
(iv) Loans	6	-	1,500
(v) Other financial assets	7	252	4,614
(c) Other current assets	8	4,649	7,258
Total Current assets		**41,750**	**31,939**
TOTAL ASSETS		**1,90,930**	**1,67,614**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,350	2,228
(b) Other equity	14	1,22,283	1,01,023
Total Equity		**1,24,633**	**1,03,251**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	12,397	11,514
(ii) Lease liabilities	36	41	126
(iii) Other financial liabilities	16	5,700	8,683
(b) Provisions	17	490	843
(c) Deferred tax liabilities (net)	27	8,200	4,391
(d) Other non-current liabilities	18	179	179
Total Non-current liabilities		**27,007**	**25,736**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9,708	10,765
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		13	125
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,491	16,729
(iii) Lease liabilities	36	20	10
(iv) Other financial liabilities	16	3,983	6,886
(b) Provisions	17	376	308
(c) Income tax liabilities (net)	27	1,170	602
(d) Other current liabilities	18	6,529	3,202
Total Current liabilities		**39,290**	**38,627**
Total Liabilities		**66,297**	**64,363**
TOTAL EQUITY AND LIABILITIES		**1,90,930**	**1,67,614**
Corporate information and significant accounting policies	1		
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Statement of Profit and Loss

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	19	1,00,170	84,758
II	Other income	20	2,069	1,632
III	**Total Income (I + II)**		**1,02,239**	**86,390**
IV	**Expenses**			
	(a) Cost of materials consumed	21	15,210	15,983
	(b) Purchases of stock-in-trade	22a	2,028	4,117
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22b	1,389	(602)
	(d) Employee benefit expenses	23	6,604	5,570
	(e) Finance costs	24	2,525	3,392
	(f) Depreciation and amortisation expense	25	5,620	5,507
	(g) Power and fuel expenses		17,536	21,675
	(h) Freight and forwarding		15,563	14,171
	(i) Other expenses	26	11,525	11,954
	Total Expenses		**78,000**	**81,767**
V	**Profit before tax (III - IV)**		**24,239**	**4,623**
VI	**Tax expense**			
	(a) Current tax	27	6,610	850
	(b) Deferred tax	27	1,433	300
	Total Tax expense		**8,043**	**1,150**
VII	**Profit after tax (V - VI)**		**16,196**	**3,473**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	(a) Remeasurement of the defined benefit plan		12	(64)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(4)	22
	Other comprehensive income for the year, net of tax		**8**	**(42)**
IX	**Total comprehensive income (VII + VIII)**		**16,204**	**3,431**
X	**Earnings per share (Face value of ₹ 10 each)**			
	Basic and Diluted	37	70.02	16.17
	Corporate information and significant accounting policies	**1**		
	See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Statement of Changes in Equity

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance at March 31, 2019	2,040
Changes in equity share capital during the year	188
Balance at March 31, 2020	**2,228**
Changes in equity share capital during the year	122
Balance as at March 31, 2021	**2,350**

B. OTHER EQUITY

Particulars	Reserves and surplus				Other items of other comprehensive income	Money received against share warrants	Total other equity
	Capital reserve	Securities premium account	General reserve	Retained earnings			
Balance as at March 31, 2019	**35**	**32,007**	**3,598**	**46,981**	**(150)**	**5,658**	**88,129**
Profit for the year	-	-	-	3,473	-	-	3,473
Dividend on equity shares (including tax)	-	-	-	(615)	-	-	(615)
Other comprehensive income for the year (net of tax ₹ 22)	-	-	-	-	(42)	-	(42)
Money received against share warrant (Refer Note 39)	-	-	-	-	-	10,266	10,266
Allotment of equity shares upon conversion of warrants (Refer Note 39)	-	-	-	-	-	(188)	(188)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 39)	-	13,500	-	-	-	(13,500)	-
Balance as at March 31, 2020	**35**	**45,507**	**3,598**	**49,839**	**(192)**	**2,236**	**1,01,023**
Profit for the year	-	-	-	**16,196**	-	-	**16,196**
Dividend on equity shares	-	-	-	(1,528)	-	-	(1,528)
Other comprehensive income for the year (net of tax ₹ 4)	-	-	-	-	8	-	8
Money received against share warrant (Refer Note 39)	-	-	-	-	-	6,706	6,706
Allotment of equity shares upon conversion of warrants (Refer Note 39)	-	-	-	-	-	(122)	(122)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 39)	-	8,820	-	-	-	(8,820)	-
Balance as at March 31, 2021	**35**	**54,327**	**3,598**	**64,507**	**(184)**	**-**	**1,22,283**

See accompanying notes forming part of the Standalone financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Statement of Cash Flows

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A	**Cash flow from operating activities**				
	Profit after tax		16,196		3,473
	Adjustments for				
	Tax expense	8,043		1,150	
	Depreciation and amortization expense	5,620		5,507	
	Finance costs	2,525		3,392	
	Interest income	(1,707)		(1,447)	
	Liabilities no longer required written back	(31)		(22)	
	Advances written off	-		25	
	Expected credit loss allowance on trade receivables	12		215	
	Unrealised loss on foreign currency transactions and translation	16		169	
	Net loss/ (gain) on fair value change in financial instruments	120		(125)	
	Profit on sale of property, plant and equipment (net)	(50)		(33)	
	Incentives received from government	(1,714)		(1,072)	
			12,834		7,759
	Operating profit before working capital changes		**29,030**		**11,232**
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets:				
	Trade receivables	2,169		(1,887)	
	Inventories	(1,130)		2,544	
	Other financial assets	203		(51)	
	Other assets	(502)		1,060	
			740		1,666
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	665		1,695	
	Other financial liabilities	(75)		1,234	
	Provisions	(273)		221	
	Other liabilities	3,327		(1,573)	
			3,644		1,577
	Cash generated from operating activities		**33,414**		**14,475**
	Less: Income tax paid		(3,635)		(1,004)
	Net cash generated from operating activities		**29,779**		**13,471**
B	**Cash flow from investing activities**				
	Capital expenditure on property, plant and equipment including capital advances	(2,608)		(6,682)	
	Deposits not considered as cash and cash equivalents				
	- Placed	(178)		(1,760)	
	- Matured	-		2,166	
	Proceeds from disposal of plant and equipment	103		66	
	Investments in subsidiaries during the year	(10,502)		(12,800)	
	Interest received	1,044		153	
	Net cash used in investing activities		**(12,141)**		**(18,857)**

Statement of Cash Flows

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		For the year ended March 31, 2021		For the year ended March 31, 2020	
C	**Cash flow from financing activities**				
	Proceeds on allotment of equity shares upon conversion of warrants	6,706		10,266	
	Proceeds from non-current borrowings	5,701		12,394	
	Repayment of non-current borrowings	(4,433)		(15,326)	
	Repayment of unsecured loans from related party	1,500		500	
	Payment of unsecured loans to related parties	(2,500)		-	
	Proceeds from current borrowings (net)	(1,057)		110	
	Repayment of lease liabilities	(126)		(117)	
	Finance costs	(2,639)		(3,439)	
	Dividends paid including tax	(1,528)		(615)	
	Net cash generated from financing activities		**1,624**		**3,773**
	Net increase/ (decrease) in cash and cash equivalent (A+B+C)		**19,262**		**(1,613)**
	Cash and cash equivalent at the beginning of the year		171		1,784
	Cash and cash equivalent at the end of the year (Refer Note 11)		**19,433**		**171**
	Note:				
	Cash and cash equivalents comprises of:				
	Cash in hand		1		4
	Balances with banks		582		167
	Deposits with banks		18,850		-
	Cash and cash equivalents (Refer Note 11)		**19,433**		**171**

Reconciliations of liabilities from financing activities:

Particulars	As at April 01, 2020	Proceeds	Repayment	Fair value changes	As at March 31, 2021
Long-term borrowings (including current maturities)	14,792	5,701	(4,433)	-	16,060
Short-term borrowings	10,765	-	(1,057)	-	9,708
Total liabilities from financing activities	**25,557**	**5,701**	**(5,490)**	**-**	**25,768**

Particulars	As at April 01, 2019	Proceeds	Repayment	Fair value changes	As at March 31, 2020
Long-term borrowings (including current maturities)	17,724	12,394	(15,326)	-	14,792
Short-term borrowings	10,655	551	(441)	-	10,765
Total liabilities from financing activities	**28,379**	**12,945**	**(15,767)**	**-**	**25,557**

Reconciliation of lease liability:

Particulars	As at April 01, 2020	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2021
Lease liabilities	136	43	8	(126)	61

Particulars	As at April 01, 2019	Recognition on adoption of Ind AS 116	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2020
Lease liabilities	-	242	11	(117)	136

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No: 008072S

Ganesh Balakrishnan

Partner

Membership No: 201193

Place: Hyderabad

Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy

Managing Director

S. Sreekanth Reddy

Joint Managing Director

R. Soundararajan

Company Secretary

K. Prasad

Chief Financial Officer

Place: Hyderabad

Date: May 12, 2021

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Corporate Information:

Sagar Cements Limited ("the Company") was incorporated under the Companies Act, 1956 as a public limited company on January 15, 1981. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Hyderabad, Telangana. Its shares are listed on The National Stock Exchange (NSE) and the BSE Limited of India.

b) Significant accounting policies

i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company has consistently applied accounting policies to all periods.

ii) Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for net realisable value in

Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iii) Functional and Presentation currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

iv) Use of estimates and Judgements

In the application of the accounting policies, which are described in Note 1(b), the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and the associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- **Useful lives of property, plant and equipment and amortisation** of intangible assets
  Depreciation on plant and machinery, railway siding and land restoration is calculated on a straight-line basis and property, plant and equipment other than stated above and amortisation of intangible assets is calculated on a diminishing balance method basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment and intangibles as estimated by the management. The management believes that depreciation and amortisation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

All amounts are in ₹ Lakhs unless otherwise stated

This reassessment may result in change in depreciation expense in future periods.

- **Defined benefit plans**
  The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions relating to discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- **Recognition of deferred tax assets and liabilities**
  Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.

- **Fair value measurement of Financial instruments**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Provisions and contingencies**
  Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

- **Leases**
  Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Impairment of investments in subsidiaries**
  Determining whether the investments in subsidiaries, are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

- **Inventories**
  Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

- **Expected credit losses**
  The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

v) Revenue recognition:

The Company derives revenue from the sale of cement and recognizes when it transfers control over the goods to the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Revenue from service contracts with customers is recognized when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Generation of Power:

In case of power generation, revenue from sale of energy is recognized on accrual basis. Claims for delayed payment charges and any other claims, which the Company is entitled to, on grounds of prudence are accounted on admittance basis.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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All amounts are in ₹ Lakhs unless otherwise stated

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

vii) Government grants

Grants from the Government are recognized when there is reasonable assurance that:

a) The Company will comply with the conditions attached to them; and

b) The grant will be received.

viii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences expected to be maturing after 12 months from the date of balance sheet are classified as non-current.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

ix) Taxation

Income tax expense represents the sum of current tax and deferred tax. Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in

All amounts are in ₹ Lakhs unless otherwise stated

the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

x) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Freehold land is not depreciated.

Capital works in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such Capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under diminishing balance method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Railway siding	25 years
Plant and machinery other than continuous process plant	3 - 25 years
Electrical installations	15 years and 25 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company follows the process of componentization for property, plant and equipment. Accordingly, the Company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets / components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

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Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

Land-Restoration:

The Company provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows. The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

xi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a diminishing balance method over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

xii) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Work-in-progress and finished goods include appropriate proportion of overheads.

The methods of determining cost of various categories of inventories are as follows:

Type of Inventory	Method
Raw materials and coal	Weighted average method
Stores and spares and packing materials	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average method and including an appropriate share of applicable overheads.

xiii) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, in bank 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.

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

xiv) Foreign currency transactions and translations:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

xv) Financial Instruments:

(A) Initial recognition:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss.

(B) Subsequent measurement:

Non-derivative Financial Instruments:

a. **Financial assets carried at amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments other than investment in equity instruments of subsidiaries to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. **Financial liabilities:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the “other income” line item.

e. **Derivative Financial Instruments:**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not hold derivative financial instruments for speculative purposes.

f. Investment in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(C) De-recognition of financial assets and liabilities:

a. **Financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

b. **Financial liabilities:**

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

xvi) Impairment of assets

a. **Financial assets:**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured

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at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit and loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

c. Impairment of investment in subsidiaries

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments

xvii) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xviii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

xix) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee,

All amounts are in ₹ Lakhs unless otherwise stated

except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

xx) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

xxi) Exceptional items:

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

xxii) New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Land - freehold	7,045	7,051
Land - restoration	125	134
Buildings	16,174	17,401
Plant and machinery	45,732	47,673
Furniture and fittings	130	171
Office and other equipment	1,078	1,118
Electrical installations	3,381	3,887
Computers	52	48
Vehicles	204	223
Railway siding	5,320	5,569
Total	**79,241**	**83,275**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2020-21

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway sliding	Total
I. Gross block											
Opening Balance	**7,051**	**179**	**25,551**	**69,439**	**837**	**4,516**	**8,757**	**292**	**880**	**6,684**	**1,24,186**
Add: Additions	-		235	810	2	173	182	30	88	-	1,520
Less: Disposals	6		-	18	-	-	13	-	148	-	185
Balance as at March 31, 2021	**7,045**	**179**	**25,786**	**70,231**	**839**	**4,689**	**8,926**	**322**	**820**	**6,684**	**1,25,521**
II. Accumulated depreciation											
Opening Balance	**-**	**45**	**8,150**	**21,766**	**666**	**3,398**	**4,870**	**244**	**657**	**1,115**	**40,911**
Add: Depreciation expense	-	9	1,462	2,735	43	213	678	26	86	249	5,501
Less: Eliminated on disposal of assets	-		-	2	-	-	3	-	127	-	132
Balance as at March 31, 2021	**-**	**54**	**9,612**	**24,499**	**709**	**3,611**	**5,545**	**270**	**616**	**1,364**	**46,280**
Net block (I-II)											
Carrying value as at March 31, 2021	**7,045**	**125**	**16,174**	**45,732**	**130**	**1,078**	**3,381**	**52**	**204**	**5,320**	**79,241**
Carrying value as at March 31, 2020	7,051	134	17,401	47,673	171	1,118	3,887	48	223	5,569	83,275

For the year 2019-20

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway sliding	Total
I. Gross block											
Opening Balance	**7,051**	**179**	**22,065**	**59,535**	**802**	**4,206**	**7,737**	**269**	**962**	**6,684**	**1,09,490**
Add: Additions	-	-	3,486	9,936	35	310	1,045	23	57	-	14,892
Less: Disposals	-	-	-	32	-	-	25	-	139	-	196
Balance as at March 31, 2020	7,051	179	25,551	69,439	837	4,516	8,757	292	880	6,684	1,24,186
II. Accumulated depreciation											
Opening Balance	**-**	**36**	**6,730**	**19,173**	**616**	**3,159**	**4,197**	**219**	**684**	**866**	**35,680**
Add: Depreciation expense	-	9	1,420	2,606	50	239	697	25	99	249	5,394
Less: Eliminated on disposal of assets	-	-	-	13	-	-	24	-	126	-	163
Balance as at March 31, 2020	-	45	8,150	21,766	666	3,398	4,870	244	657	1,115	40,911
Net block (I-II)											
Carrying value as at March 31, 2020	**7,051**	**134**	**17,401**	**47,673**	**171**	**1,118**	**3,887**	**48**	**223**	**5,569**	**83,275**
Carrying value as at March 31, 2019	7,051	143	15,335	40,362	186	1,047	3,540	50	278	5,818	73,810

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles) with a carrying amount of ₹ 79,037 (March 31, 2020: ₹ 83,052) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari-passu second charge on the Company's current borrowings. Refer Note 15.
2. Vehicles with carrying amount of ₹ 204 (March 31, 2020: ₹ 223) are hypothecated to respective banks against vehicle loans.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

3. INTANGIBLE ASSETS

Particulars	As at March 31, 2021	As at March 31,2020
Computer software	23	13
Total	**23**	**13**

Computer Software:

Particulars	As at March 31, 2021	As at March 31,2020
I. Gross block		
Opening Balance	267	**267**
Add: Additions	11	-
Less: Disposals	-	-
Closing Balance	**278**	**267**
II. Accumulated amortisation		
Opening Balance	254	**253**
Add: Amortisation expense	1	1
Less: Eliminated on disposal of assets	-	-
Closing Balance	**255**	**254**
Net block (I-II)		
Carrying Value	23	13

4. RIGHT OF USE ASSETS

Particulars	As at March 31, 2021	As at March 31,2020
Buildings	55	130
Total	**55**	**130**

Buildings:

Particulars	As at March 31, 2021	As at March 31,2020
I. Gross block		
Opening Balance	242	**-**
Add: Recognition on adoption of Ind AS 116	-	242
Add: Additions	43	-
Less: Deletion	-	-
Closing Balance	**285**	**242**
II. Accumulated depreciation		
Opening Balance	**112**	**-**
Add: Depreciation expense	118	112
Closing Balance	**230**	**112**
Net block (I-II)		
Carrying Value	**55**	**130**

Note: Refer Note 36 on operating lease.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

5 INVESTMENTS IN SUBSIDIARIES

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Investments in equity instruments (Unquoted)				
Sagar Cements (R) Limited (100%, (March 31, 2020: 100%) shareholding) (Refer Note (i) below and Note 42)	11,59,62,925	27,058	10,38,12,925	18,553
Jajpur Cements Private Limited (100%, (March 31, 2020: 100%) shareholding) (Refer Note (iii) below and Note 39)	5,39,30,000	8,479	3,86,80,000	4,154
Satguru Cement Private Limited (65%, (March 31, 2020: 65%) shareholding) (Refer Note (iv) below and Note 39)	28,97,143	15,409	28,97,143	15,000
Investments in preference shares				
Sagar Cements (R) Limited				
8% Cumulative redeemable preference shares (Refer Note (ii) below)	4,30,00,000	11,182	4,30,00,000	10,019
		62,128		**47,726**
Aggregate amount of unquoted investments		**62,128**		**47,726**

Notes:

(i) Includes investment of ₹ 401 (March 31, 2020: ₹ 401) on account of fair valuation of corporate guarantee given by the company on behalf of Sagar Cements (R) Limited, a wholly owned subsidiary.

(ii) During the year 2016-17, the Company converted the outstanding loan balance of ₹ 17,200 given to its wholly-owned subsidiary, Sagar Cements (R) Limited, to 43,000,000 8% cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 30 each. At initial recognition, the preference shares are measured at fair value. The difference between the fair value at initial recognition and the transaction price is accounted as deemed capital contribution to the subsidiary company. Accordingly, ₹ 6,866 is accounted as the fair value of the preference shares and ₹ 10,334 is accounted as deemed investment on conversion of loan to preference shares at concessional rate and added to the cost of investment held in the subsidiary. As at March 31, 2021, ₹ 1,163 (March 31, 2020: ₹ 1,044) has been recognised as interest income on preference shares and added to the cost of preference shares.

(iii) Includes investment of ₹ 254 (March 31, 2020: ₹ 254) on account of fair valuation of corporate guarantee given by the company on behalf of Jajpur Cements Private Limited, a wholly owned subsidiary.

(iv) Includes investment of ₹ 409 (March 31, 2020: ₹ Nil) on account of fair valuation of corporate guarantee given by the company on behalf of Satguru Cement Private Limited, a subsidiary Company.

6. LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Loans to related party (Subsidiary) (Refer Note 35)	2,500	-
Total	**2,500**	-
Current		
Loans to related party (Subsidiary)	-	1,500
Total	-	**1,500**
Total loans	**2,500**	**1,500**

Note: No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Loans classification:		
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	2,500	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total Non-current loans	**2,500**	-
Loans receivables considered good - secured	-	-
Loans receivables considered good - unsecured	-	1,500
Loans receivables which have significant increase in credit risk	-	-
Loans receivables - credit impaired	-	-
Total Current loans	-	**1,500**

All amounts are in ₹ Lakhs unless otherwise stated

7. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits	1,150	1,375
Balances held as margin money deposit against borrowings	113	6
Total	**1,263**	**1,381**
Current		
Security deposits	102	80
Advances to employees	63	63
Interest accrued but not due (Refer Note below and Note 42)	82	4,346
Derivative assets	5	125
Total	**252**	**4,614**
Total other financial assets	**1,515**	**5,995**

Note: As per the Subsidiary Company's agreement with the International Financial Corporation(IFC), subsidiary Company's obligation towards debts and interest are sub-ordinate to the payment due to IFC against the Non-convertible debentures issued to them.

8. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	840	550
Prepaid expenses	179	168
Balances with government authorities	141	141
Total	**1,160**	**859**
Current		
Advances to suppliers and service providers	653	423
Advances to related parties (Refer Note 42)	-	4,825
Prepaid expenses	346	251
Balances with government authorities	197	20
Excise duty refund receivable	194	194
Incentives receivable from government (Refer Note 40)	3,259	1,545
Total	**4,649**	**7,258**
Total other assets	**5,809**	**8,117**

9. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	1,014	788
Coal	3,671	2,600
Work-in-progress	429	1,408
Stores and spares	2,337	1,802
Packing materials	357	299
Finished goods	508	918
Total (A)	**8,316**	**7,815**
Goods-in-transit:		
Raw materials	4	-
Coal	838	250
Packing materials	37	-
Finished goods	2	2
Total (B)	**881**	**252**
Total inventories (A+B)	**9,197**	**8,067**

Note: Refer Note 1(b)(xii) for basis of valuation and for details of inventories pledged refer Note 15.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

10. TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	925	2,947
Trade receivables considered good - Unsecured (Refer Note below)	6,380	6,539
Trade receivables - credit impaired	707	695
Sub-total	**8,012**	**10,181**
Less: Expected credit loss allowance	(707)	(695)
Total trade receivable	**7,305**	**9,486**

Note: Includes ₹ 13 (March 31, 2020: Nil) receivable from related party. Also Refer Note 35.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Within the credit period	5,083	6,876
1-30 days past due	1,338	1,068
31-60 days past due	329	450
61-90 days past due	153	188
91-180 days past due	170	220
More than 180 days past due	939	1,379
Total	**8,012**	**10,181**

Movement in expected credit loss allowance

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	695	480
Add: Expected credit loss allowance	12	215
Balance at the end of the year	**707**	**695**

11. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	1	4
Balances with banks	582	167
Deposits with banks	18,850	-
Total Cash and cash equivalents	**19,433**	**171**

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend account	64	58
Margin money deposits (Refer Note below)	850	785
Total other bank balances	**914**	**843**

Note: Margin money deposits are against bank guarantees and cash credit facilities.

All amounts are in ₹ Lakhs unless otherwise stated

13 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	2,35,00,000	2,350	2,35,00,000	2,350
Issued, subscribed and fully paid:				
Equity shares ₹ 10 each	2,35,00,000	2,350	2,22,75,000	2,228

(a) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Opening balance	2,22,75,000	2,228	2,04,00,000	2,040
Allotment of equity shares upon conversion of warrants (Refer Note 39)	12,25,000	122	18,75,000	188
Closing balance	**2,35,00,000**	**2,350**	**2,22,75,000**	**2,228**

(b) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

(c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
S. Aruna	13,69,545	5.83%	13,69,545	6.15%
Rachana Sammidi	11,67,283	4.97%	11,67,183	5.24%
Dr. S. Anand Reddy	13,06,524	5.56%	13,06,524	5.87%
S. Sreekanth Reddy	12,39,353	5.27%	12,39,353	5.56%
R V Consulting Services Private Limited	16,02,298	6.82%	11,00,597	4.94%
HDFC Trustee Company Limited - Prudence Fund	10,83,330	4.61%	13,09,820	5.88%
AVH Resources India Private Limited	51,33,754	21.85%	43,58,704	19.57%

(d) During the year 2020-21, the Company had converted 12,25,000 (2019-20: 18,75,000) warrants into equal number of equity shares. (Refer Note 39)

14. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	35	35
Securities premium	54,327	45,507
General reserve	3,598	3,598
Retained earnings	64,507	49,839
Other items of other comprehensive income	(184)	(192)
Money received against share warrants	-	2,236
Total other equity	**1,22,283**	**1,01,023**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Movement in other equity is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	**35**	**35**
Securities premium		
(i) Opening balance	45,507	32,007
(ii) Premium on allotment of equity shares upon conversion of warrants (Refer Note 39)	8,820	13,500
	54,327	**45,507**
General reserve	**3,598**	**3,598**
Retained earnings		
(i) Opening balance	49,839	46,981
(ii) Profit for the year	16,196	3,473
	66,035	**50,454**
Less: Appropriations		
(i) Dividend on equity shares (Refer Note 42)	1,528	510
(ii) Tax on dividend (Refer Note below)	-	105
	64,507	**49,839**
Other items of other comprehensive income		
(i) Opening balance	(192)	(150)
(ii) Other comprehensive income for the year	8	(42)
	(184)	**(192)**
Money received against share warrants		
(i) Opening balance	2,236	5,658
(ii) Money received against share warrant (Refer Note 39)	6,706	10,266
(iii) Allotment of equity shares upon conversion of warrants (Refer Note 39)	(122)	(188)
(iv) Premium on allotment of equity shares upon conversion of warrants (Refer Note 39)	(8,820)	(13,500)
	-	**2,236**
Total	**1,22,283**	**1,01,023**

Note:

Effective from April 01, 2020, Dividends will be taxed in the hands of recipient, hence there will ne no liability in the hands of Company.

Nature of reserves:

(a) Capital reserve

This represents subsidies received from the government.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the section 52 of the Act.

(c) General reserve

This represents appropriation of profit by the company. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

(d) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(e) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

(f) Money received against share warrants

This represents the moneys received against the share warrants.

All amounts are in ₹ Lakhs unless otherwise stated

15. NON-CURRENT BORROWINGS* (SECURED, AT AMORTISED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
Term loans from banks	12,397	11,514
Total non-current borrowings	**12,397**	**11,514**

*Current maturities of non-current borrowings have been disclosed under the head “Other financial liabilities”.

Notes:

As at March 31, 2021

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	2,193	8 quarterly instalments	6.50%
Axis Bank Limited (Refer Note 2 below)	991	24 monthly instalments	8.00%
Axis Bank Limited (Refer Note 3 below)	1,721	12 quarterly instalments	8.00%
Axis Bank Limited (Refer Note 4 below)	3,176	20 quarterly instalments	8.00%
State Bank of India (Refer Note 5 below)	2,399	16 quarterly instalments	9.00%
State Bank of India (Refer Note 6 below)	722	13 monthly instalments	7.25%
Axis Bank Limited (Refer Note 7 below)	1,701	48 monthly instalments	6.50%
HDFC Bank Limited (Refer Note 8 below)	3,000	48 monthly instalments	6.50%
Vehicle loans from various banks (Refer Note 9 below)	157	12 - 21 monthly instalments	8.50% to 9.31%
Less: Current maturities of non-current borrowings	(3,663)		
Total	**12,397**		

As at March 31, 2020

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	3,018	11 quarterly instalments	8.65%
Axis Bank Limited (Refer Note 2 below)	1,533	37 monthly instalments	9.20%
Axis Bank Limited (Refer Note 3 below)	2,292	17 quarterly instalments	9.20%
Yes Bank Limited (Refer Note 3 below)	300	12 quarterly instalments	10.40%
Axis Bank Limited (Refer Note 4 below)	3,980	25 quarterly instalments	9.20%
State Bank of India (Refer Note 5 below)	3,299	25 quarterly instalments	9.15%
Vehicle loans from various banks (Refer Note 9 below)	370	6 - 33 monthly instalments	7.98% to 9.31%
Less: Current maturities of non-current borrowings	(3,278)		
Total	**11,514**		

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
2. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram and plant and equipment of Waste heat recovery power plant at Mattampally , and by second charge on the current assets of the company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
4. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
5. Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
6. Term loan is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
8. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
9. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings (Secured, amortised at cost)		
Loans repayable on demand		
Cash credit facilities	9,708	10,765
Total current borrowings	**9,708**	**10,765**

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a.to 8.85% p.a (2019-20: 8.85% p.a. to 9.50% p.a.)

2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.70% p.a.to 8.40% p.a (2019-20: 8.45% p.a.).

3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @7.90% p.a. to 8.40% p.a. (2019-20: 8.40% p.a. to 8.90% p.a.).

16. OTHER FINANCIAL IIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits received	5,097	5,178
Guarantee obligation	603	345
Deferred consideration payable (Refer Note 39)	-	3,160
Total	**5,700**	**8,683**
Current		
Current maturities of non-current borrowings	3,663	3,278
Interest accrued but not due on borrowings	68	190
Unclaimed dividends (Refer Note below)	64	58
Payables on purchase of property, plant and equipment	188	420
Deferred consideration payable (Refer Note 39)	-	2,940
Total	**3,983**	**6,886**
Total other financial liabilities	**9,683**	**15,569**

Note:

As at March 31, 2021 (March 31, 2020 ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

17. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note 33)	548	849
Compensated absences (Refer Note 33)	318	302
Total provisions	**866**	**1,151**
Non-current		
Gratuity	265	617
Compensated absences	225	226
Total	**490**	**843**
Current		
Gratuity	283	232
Compensated absences	93	76
Total	**376**	**308**

All amounts are in ₹ Lakhs unless otherwise stated

18. OTHER LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Liability for land restoration	179	179
Total	**179**	**179**
Current		
Advance from customers	4,105	2,161
Statutory remittances	2,345	1,030
Advance from related party	79	-
Advance from others	-	11
Total	**6,529**	**3,202**
Total other liabilities	**6,708**	**3,381**

19. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from		
- Sale of cement (Refer Note 41)	97,649	81,960
- Sale of power	320	84
Other operating income		
- Income from trademark and staffing charges to subsidiary	360	360
- Sale of scrap	74	143
- Incentives received from government (Refer Note 40)	1,714	1,072
- Sale of coal	-	1,108
- Insurance claims	41	28
- Others	12	3
Total revenue from operations	**1,00,170**	**84,758**

20. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on financial assets measured at amortised cost	1,707	1,447
Rent received from employees	14	5
Profit on sale of property, plant and equipment	50	33
Liabilities no longer required written back	31	22
Net gain on foreign currency transactions and translation	267	-
Net gain on fair value change in financial instruments	-	125
Total other income	**2,069**	**1,632**

21. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	788	700
Add: Purchases	15,436	16,071
Less: Closing stock	1,014	788
Total cost of materials consumed	**15,210**	**15,983**
Details of materials consumed:		
Limestone	3,502	4,103
Laterite	1,520	1,665
Iron-ore sludge	164	452
Gypsum	1,038	1,153
Fly ash	1,508	1,217
Clinker purchased	351	92
Slag	1,773	2,385
Others	5,354	4,916
Total	**15,210**	15,983

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

22A. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cement	2,028	3,009
Others	-	1,108
Total	**2,028**	**4,117**

22B. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year:		
Finished goods	918	901
Work-in-progress	1,408	823
	2,326	**1,724**
Inventories at the end of the year:		
Finished goods	508	918
Work-in-progress	429	1,408
	937	**2,326**
Net decrease/ (increase)	**1,389**	**(602)**

23. EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	5,684	4,531
Contribution to provident and other funds (Refer Note 33)	481	483
Staff welfare expenses	439	556
Total employee benefit expenses	**6,604**	**5,570**

24. FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	1,823	2,763
Less: Borrowing costs on qualifying assets capitalised	-	(173)
Interest on deposits from dealers	208	241
Interest on lease liability	8	11
Other borrowing cost	486	550
Total finance cost	**2,525**	**3,392**

25. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (Refer Note 2)	5,501	5,394
Depreciation on right of use assets (Refer Note 4 and 36)	118	112
Amortisation of intangible assets (Refer Note 3)	1	1
Total depreciation and amortization	**5,620**	**5,507**

All amounts are in ₹ Lakhs unless otherwise stated

26. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Packing materials consumed	3,649	3,215
Stores and spares consumed	1,889	2,133
Repairs and maintenance		
- Plant & equipment	1,058	1,072
- Buildings	124	133
- Others	786	708
Selling expenses	2,255	2,514
Expected credit loss allowance	12	215
Advances written off	-	25
Rent	91	99
Insurance	134	93
Rates and taxes	99	153
Expenditure on corporate social responsibility (Refer Note 38)	130	81
Payment to auditors (Refer Note (i) below)	47	38
Travelling and conveyance	149	338
Security services	153	149
Donations and contributions	180	216
Legal and other professional charges	341	342
Administrative expenses	210	195
Printing and stationery	34	31
Communication	58	58
Net Loss on foreign currency transactions and translation	-	201
Net loss on fair value change in financial instruments	120	-
Directors sitting fees	18	11
Miscellaneous expenses	6	13
Captive consumption of cement	(18)	(79)
Total other expenses	**11,525**	**11,954**
Note:		
(i) Payment to auditors (net of taxes) comprises:		
For audit	28	23
For limited reviews	7	7
For other services	12	7
Reimbursement of expenses	-	1
Total	**47**	**38**

27. INCOME TAX EXPENSE

(a) Income tax recognized in the statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax:		
In respect of the current year	6,610	850
	6,610	**850**
Deferred tax		
In respect of current year origination and reversal of temporary differences	1,433	1,150
MAT Credit	-	(850)
	1,433	**300**
Total tax expense	**8,043**	**1,150**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/ (loss) before tax (A)	24,239	4,623
Statutory tax rate in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	8,469	1,615
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(482)	(398)
Effect on expenses disallowed under Income Tax Act, 1961	79	113
Effect on change in depreciation while filing Income tax return	11	(183)
Others	(34)	3
Total	**(426)**	**(465)**
At the effective income tax rate	8,043	1,150
Total Tax expense	**8,043**	**1,150**

(c) Movement in deferred tax assets and liabilities for the year 2020-21:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	Recognized through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	10,840	331	-	-	11,171
Provision for employee benefits	(403)	95	4	-	(304)
Expected credit loss allowance	(243)	(4)	-	-	(247)
MAT credit entitlement	(4,714)	-	-	2,372	(2,342)
Others	(119)	41	-	-	(78)
Unabsorbed depreciation	(970)	970	-	-	-
Total Deferred tax liability (Net)	**4,391**	**1,433**	**4**	**2,372**	**8,200**

Movement in deferred tax assets and liabilities for the year 2019-20:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	Recognized through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	9,418	1,422	-	-	10,840
Provision for employee benefits	(303)	(78)	(22)	-	(403)
Expected credit loss allowance	(168)	(75)	-	-	(243)
MAT credit entitlement	(3,864)	(850)	-	-	(4,714)
Others	(159)	40	-	-	(119)
Unabsorbed depreciation	(811)	(159)	-	-	(970)
Total Deferred tax liability (Net)	**4,113**	**300**	**(22)**	**-**	**4,391**

(d) Current tax assets and liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (Net of provision of ₹ 4,415 (2019-20: ₹ 4,873)	274	308
Income tax liabilities (Net of advance tax and TDS receivable for an amount of ₹ 3,807 (2019-20: ₹ 768)	(1,170)	(602)
Net Income tax liabilities	**(896)**	**(294)**

All amounts are in ₹ Lakhs unless otherwise stated

28. COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Company has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial results in determining the possible effects on the carrying amounts of Investments made in the subsidiaries, Inventories, receivables and other current assets, that may result from the COVID-19 pandemic. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

29. CONTINGENT LIABILITIES, CORPORATE GUARANTEES AND CAPITAL COMMITMENTS

a) Contingent Liabilities:

Based on legal opinion/advice obtained, no financial implication to the Company with respect to the following cases is perceived as on the Balance Sheet date:

i) Claims against the Company not acknowledged as debt:

Particulars	As at March 31, 2021	As at March 31, 2020
Direct tax matters	145	53
Indirect tax matters	794	794
Others	428	428

ii) The Finance Minister of Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts, the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,301 (As at March 31, 2020: ₹ 1,301) from July 2010 to March 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,290 was reversed, but under protest. The balance of ₹ 11 pertains to the penalty imposed by the department and disclosed in contingent liabilities under indirect taxes. As at March 31, 2021, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Company.

iii) The Honourable Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2021	As at March 31, 2020
Sagar Cements (R) Limited	1,500 Non-Convertible Debentures (₹ 10 lakhs each)	IDBI Trusteeship Services Limited	15,000	15,000
Sagar Cements (R) Limited	Credit facilities and term loans	Federal Bank Limited	4,643	4,643
Jajpur Cements Private Limited	Term loan from Axis Bank Limited	Axis Bank Limited	20,000	20,000
Satguru Cement Private Limited	Term loan from Indus Ind Bank Limited	Axis Trustee Services Limited	31,000	27,500
Total			**70,643**	**67,143**

c) Capital Commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**4,035**	**513**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

30. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	13	125
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23.	-	-

31. FINANCIAL INSTRUMENTS:

The significant accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xv) to the financial statements.

A. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 15 and 16 offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Description	As at March 31, 2021	As at March 31, 2020
Debt (Refer Note below)	25,768	25,557
Cash and cash equivalents and Other bank balances	20,347	1,014
Net debt	5,421	24,543
Total equity	1,24,633	1,03,251
Net debt to equity ratio	0.043	0.238

Note: Debt is defined as current and non-current borrowings as described in Notes 15 and 16.

B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	5	125
Measured at amortised cost		
(i) Investments	62,128	47,726
(ii) Loans	2,500	1,500
(iii) Trade receivables	7,305	9,486
(iv) Cash and cash equivalents	19,433	171
(v) Other bank balances	914	843
(vi) Other financial assets	1,510	5,870
Total Financial assets	**93,795**	**65,721**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	25,768	25,557
(ii) Trade payables	17,504	16,854
(iii) Lease liabilities	61	136
(iv) Other financial liabilities	6,020	12,291
Total Financial liabilities	**49,353**	**54,838**

C. Financial risk management objectives:

The Company's corporate finance function monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks through continuous monitoring on day to day basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the Company's management which monitors risks and policies implemented to mitigate risk exposures.

D. Market risk:

The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company seeks to minimize the effect of this risk through continuous monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's Profit for the year ended March 31, 2021 would decrease/increase by ₹ 129 (for the year ended March 31, 2020: decrease/increase by ₹ 128). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/ Sell	Cross currency
USD	3	19,56,800	1,442	Buy	Rupees

E. Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company on behalf of its subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (Refer Note 29 b). The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

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All amounts are in ₹ Lakhs unless otherwise stated

F. Liquidity risk management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing facilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Secured bills acceptance facility, reviewed annually		
- amount used	5,303	6,996
- amount unused	3,697	2,004
Total	**9,000**	**9,000**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	9,708	10,765
- amount unused	3,492	2,435
Total	**13,200**	**13,200**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	16,060	14,792
- amount unused	-	-
Total	**16,060**	**14,792**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	17,504	-	-
Lease liabilities	20	7	34
Other financial liabilities	320	666	5,034
Borrowings (including current maturities of non-current borrowings)	13,371	4,674	7,723

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	16,854	-	-
Lease liabilities	10	126	-
Other financial liabilities	3,608	3,674	5,009
Borrowings (including current maturities of non-current borrowings)	14,043	3,442	8,072

32. DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The details of loans and advances to subsidiary are given below:

Particulars	Balance as at		Maximum amount outstanding during the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sagar Cements (R) Limited	-	6,314	6,486	7,420
Jajpur Cements Private Limited	-	1	1	733
Satguru Cement Private Limited	2,500	3	2,500	200

All amounts are in ₹ Lakhs unless otherwise stated

33. EMPLOYEE BENEFITS:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 252 (2019–20: ₹ 250).

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 34 (2019–20: ₹ 37).

Employee State Insurance

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated ₹ 2 (2019–20: ₹ 4).

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as per actuarial valuation as at March 31, 2021 and March 31, 2020:

a) The principal assumptions used for the purposes of actuarial valuations were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	6.81%	6.76%
Expected rate of return on plan asset	7.26%/7.60%	7.50%/7.65%
Expected average remaining working lives of employees	15.08 years	15.53 years
Rate of escalation in salary	10%	10%
Attrition rate	10%	10%

b) Components of defined benefit costs recognized in profit and loss and other comprehensive income:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	152	149
Interest expense	80	78
Other adjustments	5	2
Expected return on plan assets	(42)	(33)
Defined benefit cost included in profit and loss	**195**	**196**
Re-measurement effects recognized in Other Comprehensive Income (OCI):		
Actuarial (income)/ loss	(12)	64
Components of defined benefit costs recognized in OCI	**(12)**	**64**

c) Key Results - Reconciliation of fair value of assets and obligations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of funded defined benefit obligations	1,377	1,310
Fair value of plan assets	(829)	(461)
Net liability arising from defined benefit obligation	548	849

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All amounts are in ₹ Lakhs unless otherwise stated

d) Movement in present value of defined benefits obligation are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation at the beginning of the year	1,310	1,070
Current service cost	152	149
Interest cost	80	78
Re-measurements – Actuarial (income)/ loss	(12)	64
Benefits paid out of plan assets and by employer	(153)	(51)
Defined benefit obligation at the year end	**1,377**	**1,310**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within 1 year	283	232
1 – 2 years	139	156
2 – 3 years	156	151
3 – 4 years	154	140
4 – 5 years	109	139
5 – 10 years	529	504

f) Movement in fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of the plan assets	461	443
Expected return on plan assets	42	33
Contributions from the employer	446	35
Benefits paid out of plan assets	(115)	(50)
Re-measurement – Actuarial loss/ (gain)	-	-
Other adjustments	(5)	-
Fair value of plan asset at the year end	**829**	**461**

g) Sensitivity Analysis:

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation at the period end by one percentage, keeping all other actuarial assumptions constant.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,227	1,358	1,173	1,302
Effect of 1% change in assumed salary rate	1,356	1,225	1,298	1,173
Effect of 1% change in assumed attrition rate	1,279	1,299	1,225	1,244

The Company is expected to contribute ₹ 460 lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at the period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate	6.81%	6.76%
Salary escalation rate	10%	10%
Attrition rate	10%	10%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The Company has made provision for compensated absences based on the actuarial valuation.

All amounts are in ₹ Lakhs unless otherwise stated

34. The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segment applicable to the Company.

35. RELATED PARTY DISCLOSURES:

The list of related parties of the Group is given below:

Name	Relationship
Sagar Cements (R) Limited	Wholly owned subsidiary Company
Jajpur Cements Private Limited	Wholly owned subsidiary Company
Satguru Cement Private Limited	Subsidiary Company
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	Chairman of the Board of Directors
Onteddu Swaminatha Reddy	Chairman of the Board of Directors (Upto June 24, 2020)
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Director
N. Sudha Rani	Nominee Director
T. Nagesh Reddy	Nominee Director (Upto December 30, 2020)
Valliyur Hariharan Ramakrishnan	Director
Rachana Sammidi	Director
John Eric Bertrand	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AVH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director

Summary of the transactions and balances with the above parties are as follows:

Nature of transaction	Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of packing materials	Panchavati Polyfibres Limited	4,195	3,365
Purchase of power	Sagar Cements (R) Limited	-	1,083
Purchase of scrap	Sagarsoft (India) Limited	1	-
Sale of scrap	Sagar Cements (R) Limited	1	2
Sale of coal	Sagar Cements (R) Limited	-	947
Sale of cement	Jajpur Cements Private Limited	375	-
Rent expenses paid	Dr. S. Anand Reddy	32	32
	S. Sreekanth Reddy	32	32
	S. Vanajatha	32	32
	Total	**96**	**96**
Services rendered	Sagar Cements (R) Limited	360	360
Services received	Sagarsoft (India) Limited	35	28
	RV Consulting Services Private Limited	-	34
	Total	**35**	**62**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2021	For the year ended March 31, 2020
Reimbursement of expenses received	Sagarsoft (India) Limited	8	16
	RV Consulting Services Private Limited	8	7
	Sagar Power Limited	3	1
	Sagar Cements (R) Limited	4	2
	Panchavati Polyfibres Limited	6	2
	Satguru Cement Private Limited	11	3
	Jajpur Cements Private Limited	3	1
	Total	**43**	**32**
Reimbursement of expenses paid	Panchavati Polyfibres Limited	58	-
Interest earned on loan, corporate guarantee and cumulative redeemable preference shares	Sagar Cements (R) Limited	1,332	1,313
Interest earned on corporate guarantee	Jajpur Cements Private Limited	45	10
	Satguru Cement Private Limited	66	-
	Total	**111**	**10**
Advances given	Sagar Cements (R) Limited	-	3,477
Loan given	Satguru Cement Private Limited	2,500	-
Payment received against loan given	Sagar Cements (R) Limited	1,500	500
Advance given	Jajpur Cements Private Limited	-	20
Payment received against advance given	Jajpur Cements Private Limited	-	753
Sale of property, plant and equipment	Satguru Cement Private Limited	28	6
Interest earned on loan	Satguru Cement Private Limited	25	-
Payment to salary	S. Siddarth	2	-
Received against warrant conversion	RV Consulting Services Private Limited	2,190	6,023
	AVH Resources India Private Limited	4,243	4,243
	Total	**6,433**	**10,266**
Dividend paid	S. Vanajatha	64	25
	RV Consulting Services Private Limited	103	-
	S. Siddarth	53	-
	Panchavati Polyfibres Limited	2	1
	AVH Resources India Private Limited	334	90
	Total	**556**	**116**

Compensation to key managerial personnel is as follows:

Nature of transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	MD, JMD, CS and CFO	1,504	664
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	18	11
Dividend paid	MD, JMD, CS, CFO and Directors	242	134

Outstanding balances:

Nature of transaction	Party name	As at March 31, 2021	As at March 31, 2020
Loan given	Sagar Cements (R) Limited	-	1,500
	Satguru Cement Private Limited	2,500	-
	Total	**2,500**	**1,500**
Advances given	Sagar Cements (R) Limited	-	4,814
	Sagar Power Limited	-	1
	RV Consulting Services Private Limited	-	6
	Jajpur Cements Private Limited	-	1
	Satguru Cement Private Limited	-	3
	Total	**-**	**4,825**
Advances received	Sagar Cements (R) Limited	79	-
Interest accrued but not due	Sagar Cements (R) Limited	-	4,293
	Satguru Cement Private Limited	23	-
	Total	**23**	**4,293**

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party name	As at March 31, 2021	As at March 31, 2020
Trade payables	Panchavati Polyfibres Limited	589	327
Trade Receivable	Jajpur Cements Private Limited	13	-
Corporate guarantee (Refer Note 29)	Sagar Cements (R) Limited	19,643	19,643
	Jajpur Cements Private Limited	20,000	20,000
	Satguru Cement Private Limited	31,000	27,500
	Total	**70,643**	**67,143**
8% Cumulative redeemable preference shares	Sagar Cements (R) Limited	11,181	10,019
Outstanding warrants	RV Consulting Services Private Limited (Nil (2019-20: 4.00) lakh warrants)	-	2,190
	AVH Resources India Private Limited (Nil (2019-20: 7.75) lakh warrants)	-	4,243
	Total	**-**	**6,433**

36. OPERATING LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The Company's lease asset classes primarily consist of leases for buildings. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has recorded right of use asset equal to lease liability, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 242 and a lease liability of ₹ 242 .

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	130	-
Recognition on adoption of Ind AS 116	-	242
Additions	43	-
Depreciation	(118)	(112)
Closing Balance	**55**	**130**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	136	-
Recognition on adoption of Ind AS 116	-	242
Additions	43	-
Finance cost accrued during the year	8	11
Payment of lease liabilities	(126)	(117)
Closing Balance	**61**	**136**

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Non-current lease liabilities	41	126
Current lease liabilities	20	10
Total	**61**	**136**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on discounted basis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within one year	20	10
After one year but not more than five years	25	126
More than five years	16	-

37. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax (₹ in lakhs)	16,196	3,473
Weighted average number of equity shares outstanding (Refer Note below)	23,130,822	21,471,653
Earnings per share:		
Basic and Diluted (in ₹)	70.02	16.17

Note: The convertible share warrants allotted by the Company are anti-dilutive in nature for the previous financial year. There are no more outstanding warrants requiring further conversion into equity shares as on March 31, 2021.

All amounts are in ₹ Lakhs unless otherwise stated

38. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company and the amount required to be spent by the Company for the year is ₹ 106 (2019-20: ₹ 91) i.e., 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, adoption of schools, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

CSR Activities	In Cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	130	-	130
	(81)	(-)	(81)

Amounts in the brackets indicate the previous year numbers.

39. During the year ended March 31, 2019, the Company made a preferential allotment of 31,00,000 convertible warrants of ₹ 730 each to promoter and non-promoter entities on January 24, 2019 and received 25% of the consideration of ₹ 5,658 upon allotment of such warrants. The objective of raising funds through preferential allotment was to invest in Satguru Cement Private Limited (SCPL) and Jajpur Cements Private Limited (JCPL) for setting up a green field integrated cement plant of 1 million MT per annum capacity along with a provision for Waste Heat Recovery power plant at Indore and for setting up of a cement grinding plant of 1.5 million MT per annum at Odisha respectively and for other general corporate purposes.

During the year ended March 31, 2021, the warrant holders opted to convert 12,25,000 (March 31, 2020: 18,75,000) warrants to equal number of equity shares and basis of this 75% of the consideration against warrants as converted of ₹ 6,706 (March 31, 2020: ₹ 10,266) was received. The entire amount was utilized for the purposes for which funds were raised. With the said conversion, there are no more outstanding warrants requiring further conversion into equity shares (March 31, 2020: 12,25,000 warrants outstanding, consideration of ₹ 2,236 received against the outstanding warrants pending conversion to equity shares are disclosed under Money received against share warrants under 'Other Equity').

The Company acquired 100% equity stake in JCPL on May 02, 2019 for a consideration of ₹ 450 and subsequently infused ₹ 3,450 as additional equity into JCPL.

During the year ended March 31, 2020, the Company also invested an amount of ₹ 15,000 in SCPL on May 08, 2019, for acquiring 28,97,143 equity shares (face value of ₹ 10 each at a premium of ₹ 507.75) allotted to the Company on preferential basis, which constitutes 65% equity stake in SCPL. Of the said investment, the Company has disbursed ₹ 8,900 and the balance amount of ₹ 6,100 has been disbursed in the year ended March 31, 2021. Further, the Company has infused an amount of ₹ 4,325 as additional equity into JCPL in the year ended March 31, 2021.

40. The Company is eligible for reimbursement of sales tax against sales made in the state of Andhra Pradesh and reimbursement of power consumption changes, in respect of expansion of grinding unit at Bayyavaram Unit during the financial year 2018-19. Such reimbursements are in the nature of government grants and recognized income aggregating ₹ 1,714 (2019-20: ₹ 1,072) under 'Other operating income'. There are no unfulfilled conditions or contingencies attached to these incentives.

41. RECONCILIATION OF REVENUE AS PER CONTRACT PRICE AND RECOGNISED IN STATEMENT OF PROFIT AND LOSS:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per Contract price	1,15,550	94,799
Less: Discounts and incentives	(17,901)	(12,839)
Revenue as per statement of profit and loss	**97,649**	**81,960**

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

42. The Company has been allotted with 1,21,50,000 equity shares of ₹10/- each at a premium of ₹ 60/- per share from Sagar Cements (R) Limited, wholly owned subsidiary Company. The above shares were allotted against the interest accrued receivable on unsecured loan and advances receivable of an amount of ₹ 3,614 and ₹ 4,814 respectively and balance share issue amount of ₹ 77 paid in cash.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

43. The Board of Directors of the Company in their meeting held on May 12, 2021 have recommended for approval of the shareholders a dividend at ₹ 6.50 per equity share of ₹ 10 each (65%) on the 2,35,00,000 equity shares of the Company, which includes two interim dividends aggregating to ₹ 4 per equity share (40%), already paid during the financial year 2020-21. Proposed dividend of ₹ 2.50 per equity share is not recognised as a liability as at March 31, 2021.

44. The Board of Directors of the Company in their meeting on April 26, 2021 have approved the Scheme of Amalgamation of its wholly owned subsidiary Sagar Cements (R) Limited (SCRL) with the Company with effect from March 30, 2021 (Appointed date). The scheme is subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme from the concerned authorities, the undertakings of Sagar Cements (R) Limited shall get transferred to and vested in the Company with effect from March 30, 2021 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval from authorities, the effect of merger has not been given in the financial statements of the Company.

45. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into affect has not been notified. The Company will assess the impact of the code when it comes into effect and will any related impact in the period the code becomes effective.

46. These financial statements were approved by the Company's Board of Directors on May 12, 2021.

For and on behalf of the Board of Directors

Dr. S. Anand Reddy Managing Director	**S. Sreekanth Reddy** Joint Managing Director
R. Soundararajan Company Secretary	**K. Prasad** Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Independent Auditor's Report

To The Members of Sagar Cements Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **Sagar Cements Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Revenue recognition – Price Equalizer Discounts **(Refer Note 40 of the Consolidated financial statements)** • Revenue is measured net of discounts earned by customers on the Parent's sales. • Due to the Parent's presence across different marketing regions within the country and the competitive business environment, price equalizer discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which are collated periodically by the management and are prone to manual interventions. • Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price discounts. • Given the complexity involved in the assessment of price equalizer discounts and their periodic recognition against sales, the same is considered as key audit matter.	**Principal audit procedures performed:** • Assessed the appropriateness of the Parent's accounting policies relating to price equalizer discounts by comparing with applicable accounting standards. • Assessed the design and tested the implementation and operating effectiveness of Parent's internal controls over the approvals, calculation, accounting and issuance of credit notes. • Obtained and inspected, on a sample basis, supporting documentation for price equalizer discounts recorded and credit note issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Compared the historical trend of price equalizer discounts to sales made to determine the appropriateness of current year's discount charge.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Integrated report and Management Discussion and Analysis Report including Annexures and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report:

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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent and the reports of the statutory auditors of its subsidiaries incorporated in India as on March 31, 2021 taken on record by the Board of Directors of the Company none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADI5261)

Place: Hyderabad
Date: May 12, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Sagar Cements Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which and companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADI5261)

Place: Hyderabad
Date: May 12, 2021

Consolidated Balance Sheet
as on March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,21,342	1,27,141
(b) Capital work-in-progress		51,748	10,799
(c) Goodwill		4,162	4,162
(d) Intangible assets			
Mining rights	3	5,725	5,893
Other Intangible assets	3	32	23
(e) Right of use assets	4	1,116	1,176
(f) Financial assets			
(i) Other financial assets	5	1,786	1,659
(g) Income tax assets (net)	25	450	465
(h) Deferred tax assets (net)	25	611	2,119
(i) Other non-current assets	6	11,133	8,716
Total Non-current assets		**1,98,105**	**1,62,153**
Current assets			
(a) Inventories	7	12,428	11,580
(b) Financial assets			
(i) Trade receivables	8	10,071	13,678
(ii) Cash and cash equivalents	9	22,514	290
(iii) Bank balances other than cash and cash equivalents	10	2,905	985
(iv) Other financial assets	5	335	394
(c) Other current assets	6	11,106	4,795
Total Current assets		**59,359**	**31,722**
TOTAL ASSETS		**2,57,464**	**1,93,875**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	2,350	2,228
(b) Other equity	12	1,18,103	94,438
Equity attributable to Shareholders of the Company		**1,20,453**	**96,666**
Non-controlling interests		5,351	5,393
Total Equity		**1,25,804**	**1,02,059**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	63,803	28,724
(ii) Lease liabilities	33	188	256
(iii) Other financial liabilities	14	6,999	7,016
(b) Provisions	15	624	970
(c) Deferred tax liabilities (net)	25	8,200	4,391
(d) Other non-current liabilities	16	229	229
Total Non-current liabilities		**80,043**	**41,586**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	10,217	14,063
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		17	148
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		22,882	22,152
(iii) Lease liabilities	33	47	22
(iv) Other financial liabilities	14	8,419	8,688
(b) Provisions	15	443	355
(c) Income tax liabilities (net)	25	1,170	602
(d) Other current liabilities	16	8,422	4,200
Total Current liabilities		**51,617**	**50,230**
Total Liabilities		**1,31,660**	**91,816**
TOTAL EQUITY AND LIABILITIES		**2,57,464**	**1,93,875**
Corporate information and significant accounting policies	1		
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No: 008072S

Ganesh Balakrishnan

Partner

Membership No: 201193

Place: Hyderabad

Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy

Managing Director

S. Sreekanth Reddy

Joint Managing Director

R. Soundararajan

Company Secretary

K. Prasad

Chief Financial Officer

Place: Hyderabad

Date: May 12, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	17	1,37,132	1,17,515
II	Other income	18	778	403
III	**Total Income (I + II)**		**1,37,910**	**1,17,918**
IV	**Expenses**			
	(a) Cost of materials consumed	19	19,710	20,473
	(b) Purchase of stock-in-trade	20a	2,028	3,237
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20b	2,236	(982)
	(d) Employee benefit expenses	21	7,636	6,487
	(e) Finance costs	22	4,656	6,099
	(f) Depreciation and amortisation expense	23	8,055	7,887
	(g) Power and fuel expenses		26,143	30,918
	(h) Freight and forwarding		23,422	22,375
	(i) Other expenses	24	15,913	16,457
	Total Expenses		**1,09,799**	**1,12,951**
V	**Profit before tax (III - IV)**		**28,111**	**4,967**
VI	**Tax expense**			
	(a) Current tax	25	6,610	850
	(b) Deferred tax	25	2,941	1,464
	Total Tax expense		**9,551**	**2,314**
VII	**Profit after tax (V - VI)**		**18,560**	**2,653**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	(a) Remeasurement of the defined benefit plan		11	(60)
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(4)	21
	Other comprehensive income for the year, net of tax		**7**	**(39)**
IX	**Total comprehensive income for the year (VII + VIII)**		**18,567**	**2,614**
	Profit for the year attributable to;			
	Shareholders of the company		18,602	2,671
	Non controlling interest		(42)	(18)
			18,560	**2,653**
	Total comprehensive income for the year attributable to ;			
	Shareholders of the company		18,609	2,632
	Non controlling interest		(42)	(18)
			18,567	**2,614**
X	**Earnings per share (Face value of ₹ 10 per share)**			
	Basic and Diluted	34	80.24	12.36
	Corporate information and significant accounting policies	1		
	See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Consolidated Statement of Changes in Equity
for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance at March 31, 2019	2,040
Changes in equity share capital during the year	188
Balance at March 31, 2020	**2,228**
Changes in equity share capital during the year	122
Balance at March 31, 2021	**2,350**

B. OTHER EQUITY

Particulars	Attributable to owners of the Company						Non-controlling interests	Total other equity
	Reserves and surplus				Other items of other comprehensive income	Money received against share warrants		
	Capital reserve	Securities premium	General reserve	Retained earnings				
Balance as at March 31, 2019	**35**	**32,007**	**3,598**	**41,227**	**(182)**	**5,658**	**-**	**82,343**
Profit for the year	-	-	-	2,671	-	-	(18)	2,653
Dividend on equity shares (including tax)	-	-	-	(615)	-	-	-	(615)
Other comprehensive income for the year (net of tax ₹ 21)	-	-	-	-	(39)	-	-	(39)
Minority interest on account business combination	-	-	-	-	-	-	5,411	5,411
Money received against share warrant (Refer Note 36)	-	-	-	-	-	10,266	-	10,266
Allotment of equity shares upon conversion of warrants (Refer Note 36)	-	-	-	-	-	(188)	-	(188)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 36)	-	13,500	-	-	-	(13,500)	-	-
Balance as at March 31, 2020	**35**	**45,507**	**3,598**	**43,283**	**(221)**	**2,236**	**5,393**	**99,831**
Profit for the year	-	-	-	18,602	-	-	(42)	18,560
Dividend on equity shares	-	-	-	(1,528)	-	-	-	(1,528)
Other comprehensive income for the year (net of tax ₹ 4)	-	-	-	-	7	-	-	7
Money received against share warrant (Refer Note 36)	-	-	-	-	-	6,706	-	6,706
Allotment of equity shares upon conversion of warrants (Refer Note 36)	-	-	-	-	-	(122)	-	(122)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 36)	-	8,820	-	-	-	(8,820)	-	-
Balance as at March 31, 2021	**35**	**54,327**	**3,598**	**60,357**	**(214)**	**-**	**5,351**	**1,23,454**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A	**Cash flow from operating activities**				
	Profit after tax for the year		**18,560**		**2,653**
	Adjustments for:				
	Tax expense	9,551		2,314	
	Depreciation and amortisation expense (Refer Note 23)	8,120		7,887	
	Finance costs	4,656		6,099	
	Interest income	(328)		(139)	
	Liabilities no longer required written back	(46)		(52)	
	Expected credit loss allowance on trade receivables	85		278	
	Provision for incentives receivable from government	84		-	
	Unrealised loss on foreign currency transactions and translation	54		220	
	Net loss/ (gain) on fair value change in financial instruments	166		(172)	
	Profit on sale of property, plant and equipment	(50)		(33)	
	Advances written off	-		150	
	Incentives received from government	(1,714)		(1,072)	
			20,578		15,480
	Operating profit before working capital changes		**39,138**		**18,133**
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets:				
	Trade receivables	3,522		(2,003)	
	Inventories	(848)		2,921	
	Financial assets	(195)		(196)	
	Other assets	(4,727)		1,998	
			(2,248)		2,720
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	591		1,086	
	Other financial liabilities	(85)		1,343	
	Provisions	(247)		260	
	Other liabilities	4,222		(2,345)	
			4,481		344
	Cash generated from operating activities		**41,371**		**21,197**
	Less: Income tax paid		**(3,654)**		**(992)**
	Net cash generated from operating activities		**37,717**		**20,205**
B	**Cash flow from investing activities**				
	Capital expenditure on property, plant and equipment including capital advances	(46,125)		(22,786)	
	Deposits not considered as cash and cash equivalents				
	- Placed	(2,392)		(2,317)	
	- Matured	455		2,654	
	Proceeds from disposal of plant and equipment	103		66	
	Acquisition of subsidiary	-		(444)	
	Interest received	300		129	
	Net cash used in investing activities		**(47,659)**		**(22,698)**

Consolidated Statement of Cash flows

for the year ended March 31, 2021

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C Cash flow from financing activities				
Proceeds from allotment of equity shares upon conversion of warrants	6,706		10,266	
Proceeds from non-current borrowings	43,041		19,590	
Proceeds from loan from others and related parties (net)	51		38	
Repayment of non-current borrowings	(7,348)		(21,870)	
Repayment of lease liability	(167)		(142)	
Proceeds from current borrowings (net)	(3,846)		(27)	
Finance costs	(4,743)		(6,248)	
Dividend paid including tax	(1,528)		(615)	
Net cash generated from financing activities		32,166		992
Net increase/ (decrease) in cash and cash equivalent (A+B+C)		22,224		(1,501)
Cash and cash equivalent at the beginning of the year		290		1,791
Cash and Cash equivalent at the end of the year (Refer Note 9)		22,514		290
Note:				
Cash and cash equivalents comprises of:				
Cash in hand		3		10
Balances with banks		860		280
Deposits with banks		21,651		-
Cash and cash equivalents (Refer Note 9)		**22,514**		**290**

Reconciliations of liabilities from financing activities:

Particulars	As at April 01, 2020	Proceeds	Repayment	Fair value changes	As at March 31, 2021
Long term borrowings (including current portion)	35,906	43,092	(7,348)	23	71,673
Short term borrowings	14,063	-	(3,846)	-	10,217
Total liabilities from financing activities	**49,969**	**43,092**	**(11,194)**	**23**	**81,890**

Particulars	As at April 01, 2019	Proceeds	Repayment	Fair value changes	As at March 31, 2020
Long term borrowings (including current portion)	37,976	19,782	(21,832)	(20)	35,906
Short term borrowings	13,886	2,029	(1,852.00)	-	14,063
Total liabilities from financing activities	**51,862**	**21,811**	**(23,684)**	**(20)**	**49,969**

Reconciliation of lease liability:

Particulars	As at April 01, 2020	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2021
Lease liabilities	278	101	23	(167)	235

Particulars	As at April 01, 2019	Recognition on adoption of Ind AS 116	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2020
Lease liabilities	-	408	12	(142)	278

In terms of our report attached
For **Deloitte Haskins & Sells**
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For and on behalf of the Board of Directors

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Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

1. CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information:

Sagar Cements Limited ("the Company/ Parent") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange of India and The BSE Limited. The registered office of the Company is located at Hyderabad. The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries Sagar Cements (R) Limited, Jajpur Cements Private Limited, Satguru Cement Private Limited (collectively referred to as "the Group"). The Group is engaged in the business of manufacture and sale of cement and generation of power for sale and captive consumption.

(b) Significant accounting policies

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India (SEBI). The Group has consistently applied accounting policies to all periods.

(ii) Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for net realisable value in

Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Functional and Presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹) which is the functional currency of the group and the currency of the primary economic environment in which the group operates.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

(iv) Use of estimates and Judgements

In the application of the accounting policies, which are described in Note 1(b), the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and the associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- **Useful lives of property, plant and equipment and amortisation of intangible assets**
  Depreciation on property, plant and equipment and amortisation of intangible assets is calculated on a straight-line basis and diminishing balance method basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation and amortisation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods

- **Defined benefit plans**
  The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions relating to discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- **Recognition of deferred tax assets and liabilities**
  Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profit. The Group uses judgement to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.

- **Fair value measurement of Financial instruments**
  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Provisions and contingencies**
  Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

- **Leases**
  Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Inventories**
  Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

- **Expected credit losses**
  The Group makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

(v) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2021 and March 31, 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Investee relationship		Principal place of business	Ownership held by	% of Holding and voting power held directly	
	March 31, 2021	March 31, 2020			As at March 31, 2021	As at March 31,2020
Sagar Cements (R) Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	100%	100%
Jajpur Cements Private Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	100%	100%
Satguru Cement Private Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	65%	65%

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries
- Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.
- When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(vi) Business combination

The Group accounts for its business combinations under acquisition method of accounting. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange of control of the acquire. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Mining rights

The Company has used royalty saved method for value analysis of limestone mining rights. The method estimates the value of future savings in royalty payments over the life of the mine accruing to the Company, by virtue of the transaction instead of obtaining the mining rights via the Government e-auction process

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(vii) Non-controlling interests ("NCI")

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

Profit and loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(viii) Goodwill

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill

allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(ix) Revenue recognition

The group derives revenue from the sale of cement and recognizes when it transfers control over the goods to the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Revenue from service contracts with customers is recognized when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Generation of Power

In case of power generation, revenue from sale of energy is recognized on accrual basis. Claims for delayed payment charges and any other claims, which the Group is entitled to, on grounds of prudence are accounted on admittance basis.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(xi) Government grants

Grants from the Government are recognized when there is reasonable assurance that:

a) The Group will comply with the conditions attached to them; and
b) The grant will be received.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

(xi) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans

The Group's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences expected to be maturing after 12 months from the date of balance sheet are classified as non-current.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

(xiii) Taxation

Income tax expense represents the sum of current tax and deferred tax. Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xiv) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Freehold land is not depreciated.

Capital works in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under WDV method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Railway siding	25 years
Plant and machinery other than continuous process plant	3 - 25 years
Electrical Equipment (Plant & Machinery)	15 years and 25 years

In case of the Subsidiary company Sagar Cements (R) Limited, depreciation has been provided on straight-line method for all the class of depreciable assets as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Plant and machinery other than continuous process plant	3 - 5 years
Electrical Equipment (Plant & Machinery)	15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Group follows the process of componentization for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets / components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

Land-Restoration:

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows. The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

(xv) Intangible assets

Computer software acquired are measured on initial recognition at cost and mining rights are recognised on account of business combination. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(xvi) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Work-in-progress and finished goods include appropriate proportion of overheads.

The methods of determining cost of various categories of inventories are as follows:

Type of Inventory	Method
Raw materials and coal	Weighted average method
Stores and spares and packing materials	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average method and including an appropriate share of applicable overheads.

(xvii) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, in bank 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.

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

(xviii) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognized in the statement of profit and loss in the period in which they arise.

(xix) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Group's performance and allocates resources based on analysis of various performance indicators by business segments.

(xx) Financial Instruments

(A) Initial recognition

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss.

(B) Subsequent measurement

Non-derivative Financial Instruments:

a. **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

e. Derivative Financial Instruments: The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not hold derivative financial instruments for speculative purposes.

(C) De-recognition of financial assets and liabilities

a. Financial assets:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

(xxi) Impairment of assets

a. Financial assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit and loss.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Group uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

(xxii) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xxiii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(xxiv) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xxv) Exceptional items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

(xxvi) Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(xxvii) New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

All amounts are in ₹ Lakhs unless otherwise stated

2. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Land - freehold	9,787	9,793
Land - restoration	160	172
Buildings	20,687	22,129
Plant and machinery	77,906	81,117
Furniture and fittings	169	215
Office and other equipment	1,479	1,513
Electrical installations	5,318	6,064
Computers	79	68
Vehicles	437	501
Railway siding	5,320	5,569
Total	**1,21,342**	**1,27,141**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2020-21

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway sliding	Total
I. Gross Block											
Opening balance	**9,793**	**229**	**30,906**	**1,09,575**	**904**	**5,198**	**11,876**	**396**	**1,330**	**6,684**	**1,76,891**
Add: Additions	-	-	283	1,173	5	254	187	45	96	-	2,043
Less: Disposals	6	-	-	18	-	-	13	1	154	-	192
Balance as at March 31, 2021	**9,787**	**229**	**31,189**	**1,10,730**	**909**	**5,452**	**12,050**	**440**	**1,272**	**6,684**	**1,78,742**
II. Accumulated depreciation											
Opening Balance	-	57	8,777	28,458	689	3,685	5,812	328	829	1,115	49,750
Add: Depreciation expense	-	12	1,725	4,368	51	288	923	34	139	249	7,789
Less: Eliminated on disposal of assets	-	-	-	2	-	-	3	1	133	-	139
Balance as at March 31, 2021	**-**	**69**	**10,502**	**32,824**	**740**	**3,973**	**6,732**	**361**	**835**	**1,364**	**57,400**
Net block (I-II)											
Carrying value as at March 31, 2021	**9,787**	**160**	**20,687**	**77,906**	**169**	**1,479**	**5,318**	**79**	**437**	**5,320**	**1,21,342**
Carrying value as at March 31, 2020	9,793	172	22,129	81,117	215	1,513	6,064	68	501	5,569	1,27,141

For the year 2019-20

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway sliding	Total
I. Gross Block											
Opening balance	**9,793**	**229**	**26,056**	**99,162**	**860**	**4,857**	**10,748**	**362**	**1,395**	**6,684**	**1,60,146**
Add: Additions	-	-	4,306	10,445	44	341	1,153	34	74	-	16,397
Add: Additions through business combination	-	-	544	-	-	-	-	-	-	-	544
Less: Disposals	-	-	-	32	-	-	25	-	139	-	196
Balance as at March 31, 2020	9,793	229	30,906	1,09,575	904	5,198	11,876	396	1,330	6,684	1,76,891
II. Accumulated depreciation											
Opening Balance	-	**45**	**7,132**	**24,267**	**633**	**3,369**	**4,901**	**298**	**803**	**866**	**42,314**
Add: Depreciation expense	-	12	1,640	4,204	56	316	935	30	152	249	7,594
Less: Additions through business combinations	-	-	5	-	-	-	-	-	-	-	5
Less: Eliminated on disposal of assets	-	-	-	13	-	-	24	-	126	-	163
Balance as at March 31, 2020	-	57	8,777	28,458	689	3,685	5,812	328	829	1,115	49,750
Net block (I-II)											
Carrying value as at March 31, 2020	**9,793**	**172**	**22,129**	**81,117**	**215**	**1,513**	**6,064**	**68**	**501**	**5,569**	**1,27,141**
Carrying value as at March 31, 2019	9,793	184	18,924	74,895	227	1,488	5,847	64	592	5,818	1,17,832

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles) with a carrying amount of ₹ 1,20,905 (March 31, 2020: ₹ 1,26,640) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari-passu second charge on the Company's current borrowings. Refer Note 13.2. Vehicles with carrying amount of ₹ 437 (March 31, 2020: ₹ 501) are hypothecated to respective banks against vehicle loans.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

3. OTHER INTANGIBLE ASSETS

Particulars	As at March 31, 2021	As at March 31,2020
Computer software	32	23
Mining rights	5,725	5,893
Total	**5,757**	**5,916**

For the year 2020-21

Particulars	Computer Software	Mining rights	Total
Gross Block			
Opening Balance	**304**	**6,647**	**6,951**
Add: Additions	11	-	11
Less: Disposals	-	-	-
Balance as at March 31, 2021	**315**	**6,647**	**6,962**
II. Accumulated amortization			
Opening Balance	**281**	**754**	**1,035**
Add: Amortisation expense	2	168	170
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2021	**283**	**922**	**1,205**
Net block (I-II)			
Carrying value as at March 31, 2021	**32**	**5,725**	**5,757**
Carrying value as at March 31, 2020	23	5,893	5,916

For the year 2019-20

Particulars	Computer Software	Mining rights	Total
Gross Block			
Opening Balance	**304**	**3,276**	**3,580**
Add: Additions on account of business combination	-	3,371	3,371
Add: Additions	-	-	-
Less: Disposals	-	-	-
Balance as at March 31, 2020	**304**	**6,647**	**6,951**
II. Accumulated amortization			
Opening Balance	**280**	**590**	**870**
Add: Amortisation expense	1	164	165
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2020	**281**	**754**	**1,035**
Net block (I-II)			
Carrying value as at March 31, 2020	23	5,893	5,916
Carrying value as at March 31, 2019	24	2,686	2,710

4. RIGHT OF USE ASSETS

Particulars	As at March 31, 2021	As at March 31,2020
Buildings	88	155
Leasehold land	1,028	1,021
Total	**1,116**	**1,176**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2020-21

Particulars		Buildings	Leasehold land	Total
I.	**Gross Block**			
	Opening Balance	**292**	**1,039**	**1,331**
	Add: Additions	78	23	101
	Balance as at March 31, 2021	**370**	**1,062**	**1,432**
II.	**Accumulated depreciation**			
	Opening Balance	**137**	**18**	**155**
	Add: Depreciation expense	145	16	161
	Balance as at March 31, 2021	**282**	**34**	**316**
	Net block (I-II)			
	Carrying value as at March 31, 2021	**88**	**1,028**	**1,116**
	Carrying value as at March 31, 2020	155	1,021	1,176

For the year 2019-20

Particulars		Buildings	Leasehold land	Total
I.	**Gross Block**			
	Opening Balance	-	-	-
	Add: Reclassified on account of adoption of Ind AS116	-	648	648
	Add: Recognised on adoption of Ind AS 116	292	391	683
	Add: Additions	-	-	-
	Less: Deletion	-	-	-
	Balance as at March 31, 2020	292	1,039	1,331
II.	**Accumulated depreciation**			
	Opening Balance	-	-	-
	Add: Depreciation expense	**137**	**18**	**155**
	Balance as at March 31, 2020	137	18	155
	Net block (I-II)			
	Carrying value as at March 31, 2020	**155**	**1,021**	**1,176**
	Carrying value as at March 31, 2019	-	-	-

Note: Refer Note 33 on operating lease.

5. OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits	1,663	1,553
Balances held as margin money deposit against borrowings	123	106
Total	**1,786**	**1,659**
Current		
Security deposits	176	91
Advances to employees	66	66
Interest accrued but not due	87	65
Derivative assets	6	172
Total	**335**	**394**
Total other financial assets	**2,121**	**2,053**

All amounts are in ₹ Lakhs unless otherwise stated

6. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	10,711	8,340
Advances to suppliers and service providers	65	59
Prepaid expenses	209	169
Balances with government authorities	148	148
Total	**11,133**	**8,716**
Current		
Advances to suppliers and service providers	1,012	638
Advances to related parties	-	7
Prepaid expenses	470	1,030
Balances with government authorities	5,402	528
Excise duty refund receivable	194	194
Incentives receivable from government (Refer Note 37)		
Unsecured, considered good	4,028	2,398
Considered doubtful	84	-
Less: Provision for incentives receivable from government	(84)	-
Total	**11,106**	**4,795**
Total other assets	**22,239**	**13,511**

7. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	1,707	1,117
Coal	4,597	3,563
Work-in-progress	703	2,255
Stores and spares	3,204	2,470
Packing materials	539	407
Finished goods	729	1,413
Total (A)	**11,479**	**11,225**
Goods-in-transit:		
Raw materials	6	-
Coal	886	353
Packing materials	55	-
Finished goods	2	2
Total (B)	**949**	**355**
Total inventories (A+B)	**12,428**	**11,580**

Note: Refer Note 1(b)(xvi) for basis of valuation and for details of inventories pledged refer Note 13.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

8 TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	1,123	3,317
Trade receivables considered good - Unsecured	8,948	10,361
Trade receivables - credit impaired	902	817
Sub-total	**10,973**	**14,495**
Less: Expected credit loss allowance	(902)	(817)
Total trade receivables	**10,071**	**13,678**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Within the credit period	7,166	9,728
1-30 days past due	1,614	1,535
31-60 days past due	353	538
61-90 days past due	164	259
91-180 days past due	192	504
More than 180 days past due	1,484	1,931
Total	**10,973**	**14,495**

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	817	527
Add: Expected credit loss allowance	85	290
Balance at the end of the year	**902**	**817**

9 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in hand	3	10
Balances with banks	860	280
Deposits with banks	21,651	-
Total Cash and cash equivalents	**22,514**	**290**

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend account	64	58
Margin money deposits (Refer Note below)	2,841	927
Total Other bank balances	**2,905**	**985**

Note: Margin money deposits are against bank guarantees and cash credit facilities.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

11 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each	2,35,00,000	2,350	2,35,00,000	2,350
Total	**2,35,00,000**	**2,350**	**2,35,00,000**	**2,350**
Issued, subscribed and fully paid up:				
Equity shares ₹ 10 each	2,35,00,000	2,350	2,22,75,000	2,228
Total	**2,35,00,000**	**2,350**	**2,22,75,000**	**2,228**

(a) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Opening balance	2,22,75,000	2,228	2,04,00,000	2,040
Allotment of equity shares upon conversion of warrants	12,25,000	122	18,75,000	188
Closing balance	**2,35,00,000**	**2,350**	**2,22,75,000**	**2,228**

(b) Rights, preferences and restrictions attached to the 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

(c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
S. Aruna	13,69,545	5.83%	13,69,545	6.15%
Rachana Sammidi	11,67,283	4.97%	11,67,183	5.24%
Dr. S. Anand Reddy	13,06,524	5.56%	13,06,524	5.87%
S. Sreekanth Reddy	16,02,298	6.82%	12,39,353	5.56%
R V Consulting Services Private Limited	15,97,198	6.80%	11,00,597	4.94%
HDFC Trustee Company Limited - Prudence Fund	10,83,330	4.61%	13,09,820	5.88%
AVH Resources India Private Limited	51,33,754	21.85%	43,58,704	19.57%

(d) During the year 2020-21, the Company had converted 12,25,000 (2019-20: 18,75,000) warrants into equal number of equity shares. (Refer Note 36)

12. OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	35	35
Securities premium	54,327	45,507
General reserve	3,598	3,598
Retained earnings	60,357	43,283
Other items for other incomprehensive income	(214)	(221)
Money received against share warrants	-	2,236
Total other equity	**1,18,103**	**94,438**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Movement in other equity is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Reserve	**35**	**35**
Securities premium		
(i) Opening Balance	45,507	32,007
(ii) Premium on allotment of equity shares upon conversion of warrants (Refer Note 36)	8,820	13,500
	54,327	**45,507**
General Reserve	**3,598**	**3,598**
Retained earnings		
(i) Opening balance	43,283	41,227
(ii) Profit for the year	18,602	2,671
	61,885	**43,898**
Less: Appropriations		
(i) Dividend on equity shares (Refer Note below and 42)	1,528	510
(ii) Tax on dividend	-	105
	60,357	**43,283**
Other items of other comprehensive income		
(i) Opening Balance	(221)	(182)
(ii) Other comprehensive income	7	(39)
	(214)	**(221)**
Money received against share warrants		
(i) Opening balance	2,236	5,658
(ii) Money received against share warrant (Refer Note 36)	6,706	10,266
(iii) Allotment of equity shares upon conversion of warrants (Refer Note 36)	(122)	(188)
(iv) Premium on allotment of equity shares upon conversion of warrants (Refer Note 36)	(8,820)	(13,500)
	-	**2,236**
Total	**1,18,103**	**94,438**

Note:

Effective from April 01, 2020, Dividends will be taxed in the hands of recipient, hence there will ne no liability in the hands of Company.

Nature of reserves

(a) Capital Reserve

This represents subsidies received from the government.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the section 52 of the Act.

(c) General reserve

This represents appropriation of profit by the company. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

(d) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(e) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

(f) Money received against share warrants

This represents the moneys received against the share warrants allotted.

All amounts are in ₹ Lakhs unless otherwise stated

13. NON CURRENT BORROWINGS* (SECURED, AT AMORTISED COST)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Debentures (Refer Note (ii) below)	8,077	10,384
(b) Term Loans (Refer Note (i) below)	55,726	18,340
Total non-current borrowings	**63,803**	**28,724**

*Current maturities of non-current borrowings are disclosed under the head "Other financial liabilities".

Note (i):

As at March 31, 2021

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	2,193	8 quarterly instalments	6.50%
Axis Bank Limited (Refer Note 2 below)	991	24 monthly instalments	8.00%
Axis Bank Limited (Refer Note 3 below)	1,721	12 quarterly instalments	8.00%
Axis Bank Limited (Refer Note 4 below)	3,176	20 quarterly instalments	8.00%
State Bank of India (Refer Note 5 below)	2,399	16 quarterly instalments	9.00%
State Bank of India (Refer Note 6 below)	722	13 monthly instalments	7.25%
Axis Bank Limited (Refer Note 7 below)	1,701	48 monthly instalments	6.50%
HDFC Bank Limited (Refer Note 8 below)	3,000	48 monthly instalments	6.50%
The Federal Bank Limited (Refer Note 9 below)	3,125	18 quarterly instalments	8.00%
State Bank of India(Refer Note 10 below)	144	13 monthly instalments	7.25%
Axis Bank Limited (Refer Note 11 below)	11,970	36 quarterly instalments	8.85%
IndusInd Bank Limited (Refer Note 12 below)	12,397	37 quarterly instalments	9.65%
State Bank of India (Refer Note 13 below)	16,326	37 quarterly instalments	9.65%
Vehicle loans from various banks/financial institutions (Refer Note 14 below)	181	5 - 21 monthly instalments	8.50% to 9.50%
Less: Current maturities of non-current borrowings	(4,320)		
	55,726		

As at March 31, 2020

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	3,018	11 quarterly instalments	8.65%
Axis Bank Limited (Refer Note 2 below)	1,533	37 monthly instalments	9.20%
Axis Bank Limited (Refer Note 3 below)	2,292	17 quarterly instalments	9.20%
Yes Bank Limited (Refer Note 3 below)	300	12 quarterly instalments	10.40%
Axis Bank Limited (Refer Note 4 below)	3,980	25 quarterly instalments	9.20%
State Bank of India (Refer Note 5 below)	3,299	25 quarterly instalments	9.15%
The Federal Bank Limited (Refer Note 9 below)	3,624	22 quarterly instalments	9.00%
Axis Bank Limited (Refer Note 11 below)	3,553	36 quarterly instalments	10.15%
Vehicle loans from various banks/financial institutions (Refer Note 14 below)	447	6 - 33 monthly instalments	7.98% to 9.50%
Less: Current maturities of non-current borrowings	(3,706)		
	18,340		

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
2. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram and plant and equipment of Waste heat recovery power plant at Mattampally , and by second charge on the current assets of the company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
4. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
5. Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
6. Term loan is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

7. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
8. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
9. Term loan is secured by pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Director and corporate guarantee of Sagar Cements Limited and First pari-passu charge on shares of Sagar Cements (R) Limited held by Sagar Cements Limited subject to RBI Guidelines.
10. This term loan is secured against all current assets, present and future, and by second charge on entire property, plant and equipment of the Company including land and building and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director.
11. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the borrower company both present and future, hypothecation of all rights, title and interests of the borrower under all plant documents, contracts, insurance policies, permits/ approvals etc related to the plant, to which the borrower is party and can be legally assigned, 30% pledge on total equity share capital of Jajpur Cements Private Limited including CCD's and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director and corporate guarantee of Sagar Cements Limited.
12. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the borrower company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the borrower in the project documents and in the clearances. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and 30% pledge on total share holding and NDU for the balance shareholding of Satguru Cement Private Limited held by Sagar Cements Limited. Second charge on the current assets of the company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
13. Term loan is secured by first pari-passu charge on the property, plant and equipment (including 30 Acres of project lease land excluding mining land) owned by or belonging to the borrower company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the borrower in the project documents, excluding mining land. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and 51% pledge on total share holding of Satguru Cement Private Limited held by Sagar Cements Limited. Second pari-passu charge on the current assets of the company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
14. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

Note (ii):

Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 lakhs each) aggregating ₹ 15,000. Interest payable on the NCD's is @11.60%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly instalments of ₹ 1,154 starting from May 2019 onwards. The Company has paid two instalments during the current year, four instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the borrower company both present and future, and by second charge on the current assets of the company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Holding Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's. As per the agreement with the IFC, Company's obligation towards debt and interests from Holding Company are subordinate to the payment due to IFC against the NCD's.

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings (at amortised cost)		
Loans repayable on demand		
Cash credit facilities (Refer Notes below)	10,217	14,063
Total secured borrowings	**10,217**	**14,063**

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a.to 8.85% p.a. (2019-20: 8.85% p.a. to 9.50% p.a.).
2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.70% p.a.to 8.40% p.a. (2019-20: 8.45% p.a.).
3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @7.90% p.a. to 8.40% p.a. (2019-20: 8.40% p.a. to 8.90% p.a.).
4. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on entire property, plant and equipment of the Company including land and building and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The loans are repayable on demand and carries interest @ 7.90% p.a to 9.80% p.a. (2019-20: 10.65% p.a to 11.05% p.a.).
5. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 7.90% p.a to 8.95% p.a. (2019-20: 8.95% p.a.).

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All amounts are in ₹ Lakhs unless otherwise stated

14. OTHER FINANCIAL IIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits received	5,757	5,848
Loan from others	193	55
Loans from related party	1,049	1,113
Total	**6,999**	**7,016**
Current		
Current maturities of non-current borrowings	6,628	6,014
Interest accrued but not due on borrowings	637	733
Unclaimed dividends (Refer Note below)	64	58
Payables on purchase of property, plant and equipment	1,090	1,883
Total	**8,419**	**8,688**
Total other financial liabilities	**15,418**	**15,704**

Note:

As at March 31, 2021 (March 31, 2020 ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

15. PROVISIONS

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note 30)	656	954
Compensated absences (Refer Note 30)	411	371
Total provisions	**1,067**	**1,325**
Non-current		
Gratuity	333	693
Compensated absences	291	277
Total	**624**	**970**
Current		
Gratuity	323	261
Compensated absences	120	94
Total	**443**	**355**

16. OTHER LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Liability for land restoration	229	229
Total	**229**	**229**
Current		
Advance from customers	5,149	2,659
Statutory remittances	3,273	1,530
Advance from others	-	11
Total	**8,422**	**4,200**
Total other liabilities	**8,651**	**4,429**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

17. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from		
- Sale of cement (Refer Note 40)	1,34,937	1,15,841
- Sale of power	320	152
Other operating income		
- Sale of scrap	95	159
Sale of coal	-	249
- Incentives received from government (Refer Note 37)	1,714	1,072
- Insurance claims	49	36
others	17	6
Total revenue from operations	**1,37,132**	**1,17,515**

18. OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on financial assets measured at amortised cost	328	139
Rent received from employees	21	7
Profit on sale of property, plant & equipment	50	33
Liabilities no longer required written back	46	52
Net gain on foreign currency transactions and translation	333	-
Net gain on fair value change in financial instruments	-	172
Total other income	**778**	**403**

19. COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	1,117	971
Add: Purchases	20,300	20,619
Less: Closing stock	1,707	1,117
Total cost of materials consumed	**19,710**	**20,473**
Details of materials consumed		
Limestone	5,296	5,889
Laterite	2,624	2,735
Iron-ore sludge	390	726
Gypsum	1,472	1,622
Flyash	1,966	1,635
Clinker Purchased	351	92
Slag	2,155	2,494
Others	5,456	5,280
Total	**19,710**	**20,473**

20A PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cement	2,028	3,009
Others	-	228
Total	**2,028**	**3,237**

All amounts are in ₹ Lakhs unless otherwise stated

20B CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year:		
Finished goods	1,413	1,184
Work-in-progress	2,255	1,502
	3,668	**2,686**
Inventories at the end of the year:		
Finished goods	729	1,413
Work-in-progress	703	2,255
	1,432	**3,668**
Net decrease/ (increase)	**2,236**	**(982)**

21. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	6,874	5,376
Contribution to provident and other funds (Refer Note 30)	604	581
Staff welfare expenses	540	633
Less: Employee benefits capitalised	(382)	(103)
Total employee benefit expenses	7,636	6,487

22. FINANCE COST

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	5,443	5,193
Less: Borrowing costs on qualifying assets capitalised	(1,745)	(208)
Interest on deposits from dealers	232	273
Interest on lease liability	23	23
Other borrowing cost	703	818
Total finance cost	**4,656**	**6,099**

23. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment (Refer Note 2)	7,789	7,594
Depreciation on right of use assets (Refer Note 4 and 33)	161	155
Amortisation of intangible assets (Refer Note 3)	170	165
Less: Depreciation expenses capitalised	(65)	(27)
Total depreciation and amortization	**8,055**	**7,887**

24. OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Packing materials consumed	5,017	4,634
Stores and spares consumed	2,846	3,024
Repairs and maintenance		
Plant & equipment	1,888	1,837
Buildings	126	133
Others	1,019	854
Selling expenses	2,537	2,819
Expected credit loss allowances	85	278
Provision for incentives receivable from government	84	-
Advances written off	-	150
Rent	133	147

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All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Insurance	218	162
Rates and taxes	170	244
Expenditure on corporate social responsibility (Refer Note 35)	130	84
Payment to Auditors (Refer Note (i) below)	91	79
Travelling and conveyance	219	414
Security services	263	268
Donations and contributions	212	222
Legal and other professional	606	603
Administrative expenses	253	230
Printing and stationery	37	35
Communication	68	68
Net Loss on foreign currency transitions and translation	-	244
Net loss on fair value change in financial instruments	166	-
Directors sitting fees	25	14
Miscellaneous expenses	105	15
Captive consumption of Cement	(385)	(101)
Total other expenses	**15,913**	**16,457**
Note (i):		
Payment to Auditors (net of taxes) comprises:		
For audit	62	57
For limited reviews	12	12
For other services	17	9
Reimbursement of expenses	-	1
Total	**91**	**79**

25. INCOME TAX EXPENSE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Income tax recognized in the Statement of Profit & Loss		
Current Tax:		
In respect of the current year	6,610	850
	6,610	**850**
Deferred Tax		
In respect of current year origination and reversal of temporary differences	2,941	2,314
MAT Credit	-	(850)
	2,941	**1,464**
Total tax expense	**9,551**	**2,314**

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/ (loss) before tax (A)	28,111	4,967
Statutory tax rate in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	9,822	1,735
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(30)	(12)
Effect on expenses disallowed under Income Tax Act, 1961	91	112
Effect on change in depreciation while filing Income tax return	6	(183)
Effect on change in Income tax rate	-	680
Effect of Tax paid at a lower rate	(287)	-
Others	(51)	(18)
Total	**(271)**	**579**
At the effective income tax rate	9,551	2,314
Total Tax expense	9,551	2,314

All amounts are in ₹ Lakhs unless otherwise stated

Movement in deferred tax assets and liabilities for the year 2020-21:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	Recognized through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	17,550	513	-	-	18,063
Provision for employee benefits	(449)	90	4	-	(355)
Expected credit loss allowance	(277)	(47)	-	-	(324)
MAT credit entitlement	(4,714)	-	-	2,372	(2,342)
Carry forward unabsorbed depreciation and business losses	(9,702)	2,353	-	-	(7,349)
Others	(136)	32	-	-	(104)
Total Deferred tax liability (Net)	**2,272**	**2,941**	**4**	**2,372**	**7,589**

Movement in deferred tax assets and liabilities for the year 2019-20:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	Recognized through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	17,508	42	-	-	17,550
Provision for employee benefits	(352)	(76)	(21)	-	(449)
Expected credit loss allowance	(184)	(93)	-	-	(277)
MAT credit entitlement	(3,864)	(850)	-	-	(4,714)
Carry forward unabsorbed depreciation and business losses	(12,120)	2,418	-	-	(9,702)
Others	(159)	23	-	-	(136)
Total Deferred tax liability (Net)	**829**	**1,464**	**(21)**	**-**	**2,272**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2021	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(6,892)	11,171	18,063
Provision for employee benefits	51	(304)	(355)
Allowance for credit losses	77	(247)	(324)
MAT credit entitlement	-	(2,342)	(2,342)
Carry forward business losses and depreciation	7,349	-	(7,349)
Others	26	(78)	(104)
Total	**611**	**8,200**	**7,589**

As at March 31, 2020	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(6,710)	10,840	17,550
Provision for employee benefits	46	(403)	(449)
Allowance for credit losses	34	(243)	(277)
MAT credit entitlement	-	(4,714)	(4,714)
Carry forward business losses and depreciation	8,732	(970)	(9,702)
Others	17	(119)	(136)
Total	**2,119**	**4,391**	**2,272**

Income tax assets and liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax assets (net) (Net of provision of ₹ 4,415 (2019-20: ₹ 4,873))	450	465
Income tax liabilities (net) (Net of advance tax and TDS receivable for an amount of ₹ 3,807 (2019-20: ₹ 768))	1,170	602
Net Income tax liabilities	**(720)**	**(137)**

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All amounts are in ₹ Lakhs unless otherwise stated

26. COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Group has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial results in determining the possible effects on the carrying amounts of Goodwill, Inventories, receivables, deferred tax assets and other current assets, that may result from the COVID-19 pandemic. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

27. CONTINGENT LIABILITIES, CORPORATE GUARANTEES AND CAPITAL COMMITMENTS

a) Contingent Liabilities:

Based on legal opinion/advice obtained, no financial implication to the group with respect to the following cases is perceived as on the Balance Sheet date.

(i) Claims against the Group not acknowledged as debt:

Particulars	As at March 31, 2021	As at March 31, 2020
Direct taxes related	2,020	1,928
Indirect taxes related	1,315	1,315
Others	428	428

(ii) The Finance Minister of Government of India has announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts the Group took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,612 (As at March 31, 2020: ₹ 1,612) from July 2010 to September 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order the amount of ₹ 1,601 was reversed, but under protest. The balance of ₹ 11 pertains to penalty imposed by the department and disclosed in contingent liabilities under indirect taxes. As at March 31, 2021, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Group.

(iii) The Honourable Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2021	As at March 31, 2020
Sagar Cements (R) Limited	1,500 Non-Convertible Debentures (₹ 10 lakhs each)	IDBI Trusteeship Services Limited	15,000	15,000
Sagar Cements (R) Limited	Credit facilities and term loans	Federal Bank Limited	4,643	4,643
Jajpur Cements Private Limited	Term loan from Axis Bank Limited	Axis Bank Limited	20,000	20,000
Satguru Cement Private Limited	Term loan from Indus Ind Bank Limited	Axis Trustee Services Limited	31,000	27,500
Total			**70,643**	**67,143**

c) Capital Commitment:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	**24,641**	**48,428**

All amounts are in ₹ Lakhs unless otherwise stated

28. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	17	148
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

29. FINANCIAL INSTRUMENTS:

The significant accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xx) to the financial statements.

A) Capital Management:

The group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the group consists of net debt (borrowings as detailed in Notes 13 & 14 offset by cash and bank balances) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on a monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (Refer Note below)	81,890	49,969
Cash and cash equivalents and Other bank balances	25,419	1,275
Net debt	56,471	48,694
Total equity	1,25,804	1,02,059
Net debt to equity ratio	0.45	0.48

Note: Debt is defined as current and non-current borrowings as described in Notes 13 and 14.

B) Categories of financial instruments:

The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	6	172
Measured at amortised cost		
(i) Trade receivables	10,071	13,678
(ii) Cash and cash equivalents	22,514	290
(iii) Other bank balances	2,905	985
(iv) Other financial assets	2,115	1,881
Total Financial assets	**37,611**	**17,006**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	80,648	48,801
(ii) Trade payables	22,899	22,300
(iii) Lease liabilities	235	278
(iv) Other financial liabilities	8,790	9,690
Total Financial liabilities	**1,12,572**	**81,069**

C) Financial risk management objectives:

The group's corporate finance function monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The group seeks to minimize the effects of these risks by continues monitoring on day to day basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the group's management, which monitors risks and policies implemented to mitigate risk exposures.

D) Market risk:

The group's activities expose it primarily to the financial risk of changes in interest rates. The group seeks to minimize the effect of this risk by continues monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the group's: Profit for the year ended March 31, 2021 would decrease/increase by ₹ 409 (for the year ended March 31, 2020: decrease/increase by ₹ 250). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/ Sell	Cross currency
USD	7	41,96,800	3,097	Buy	Rupees

All amounts are in ₹ Lakhs unless otherwise stated

E) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year. The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F) Liquidity Risk Management:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has unutilised credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities

Financing facilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Secured bills acceptance facility, reviewed annually		
- amount used	5,404	8,158
- amount unused	7,096	2,342
Total	**12,500**	**10,500**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	10,217	14,063
- amount unused	6,983	3,137
Total	**17,200**	**17,200**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	46,756	33,938
- amount unused	6,898	35,555
Total	**53,654**	**69,493**
Secured non-convertible debentures		
- amount used	10,385	12,692
- amount unused	-	-
Total	**10,385**	**12,692**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	22,899	-	-
Lease liabilities	47	30	158
Other financial liabilities	1,791	903	6,096
Borrowings (including current maturities of non-current borrowings)	16,845	9,367	54,436

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	22,300	-	-
Lease liabilities	22	161	95
Other financial liabilities	2,674	411	6,605
Borrowings (including current maturities of non-current borrowings)	20,077	6,274	22,450

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30. EMPLOYEE BENEFITS:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The group makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 341 (2019–20: ₹ 314). In the financial year 2020-21, as the project is under implementation, provident fund expenditure of ₹ 27 (2019–20: ₹ 5) relating to Jajpur Cements Private Limited and Satguru Cement Private Limited transferred to CWIP.

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 34 (2019–20: ₹ 37).

Employee State Insurance

The group makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated ₹ 3 (2019–20: ₹ 6).

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972 of India, the group provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts to be recognized in the financial statements as per actuarial valuation as at March 31, 2021 and March 31, 2020:

a) The principal assumptions used for the purposes of actuarial valuations were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	6.46% - 6.92%	6.65% - 6.76%
Expected rate of return on plan asset	7.26% - 7.60%	7.50% - 7.65%
Expected average remaining working lives of employees	10.49 – 20.22 years	15.53 years
Rate of escalation in salary	10%	10%
Attrition rate	10%	10%

b) Components of Defined benefit costs recognized in profit and loss and other comprehensive income:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	187	176
Interest expense	89	98
Other adjustments	6	2
Expected return on plan assets	(45)	(47)
Defined benefit cost included in profit and loss	**237**	**229**
Re-measurement effects recognized in Other Comprehensive Income (OCI):		
Actuarial loss	(11)	60
Components of defined benefit costs recognized in OCI	**(11)**	**60**

All amounts are in ₹ Lakhs unless otherwise stated

c) Key Results - Reconciliation of fair value of assets and obligations:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of funded defined benefit obligations	1,560	1,455
Fair value of plan assets	(904)	(501)
Net liability arising from defined benefit obligation	656	954

d) Movements in present value of defined benefits obligation are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation at the beginning of the year	1,455	1,174
Current service cost	187	176
Interest cost	89	98
Re-measurements - Actuarial loss	(11)	60
Benefits paid out of plan assets and by employer	(160)	(53)
Other adjustments	-	-
Defined benefit obligation at the year end	**1,560**	**1,455**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within 1 year	321	261
1 – 2 years	156	167
2 – 3 years	170	166
3 – 4 years	170	151
4 – 5 years	123	152
5 – 10 years	599	554

f) Movements in fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of the plan assets	501	464
Expected return on plan assets	45	47
Contributions from the employer	485	42
Benefits paid out of plan assets	(122)	(52)
Re-measurement – Actuarial loss	-	-
Acquisition Adjustment/ New Policy/Premium Expenses	(5)	-
Fair value of plan asset at the year end	**904**	**501**

g) Sensitivity Analysis:

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation at the period end by one percentage, keeping all other actuarial assumptions constant.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,398	1,554	1,308	1,458
Effect of 1% change in assumed salary rate	1,552	1,395	1,454	1,308
Effect of 1% change in assumed attrition rate	1,460	1,485	1,368	1,391

The group is expected to contribute ₹ 566 lakhs to its defined benefit plans during the next financial year.

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Compensated absences:

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate	6.46% - 6.92%	6.65% - 6.76%
Salary escalation rate	10%	10%
Attrition rate	10%	10%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The group has made provision for compensated absences based on the actuarial valuation.

31. SEGMENT REPORTING:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has identified business segments as its reportable segment. Business segments are primarily cement manufacturing segment and power generation segment. No operating segments have been aggregated in arriving at the reportable segments of the Group. Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, plant and equipment is being allocated to reportable segment distinctly identified to power is allocated to power segment and remaining is allocated to cement segment.

Particulars	Manufacturing of cement		Power generation		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	1,36,812	1,17,364	8,861	8,701	1,45,673	1,26,065
Less: Inter-segment revenue	-	-	8,541	8,550	8,541	8,550
Total	**1,36,812**	**1,17,364**	**320**	**151**	**1,37,132**	**1,17,515**
Segment result	32,500	11,072	(61)	(145)	32,439	10,927
Unallocable:						
- Finance Costs					4,656	6,099
- Interest income					(328)	(139)
Profit before taxes					28,111	4,967
Tax expense					(9,551)	(2,314)
Profit for the year					**18,560**	**2,653**

Particulars	Manufacturing of cement		Power generation		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment assets	1,93,252	1,52,738	32,623	33,234	2,25,875	1,85,972
Un-allocable assets					31,589	7,903
Total assets					**2,57,464**	**1,93,875**
Segment liabilities	39,434	35,117	265	946	39,699	36,063
Un-allocable liabilities					91,961	55,753
Total liabilities					**1,31,660**	**91,816**

Revenue from major Customers:

The Group is not reliant on revenues from transactions with any single external customer and did not receive 10% or more of its revenues from transactions with any single customer for the year ended March 31, 2021 and March 31, 2020.

All amounts are in ₹ Lakhs unless otherwise stated

32. RELATED PARTY DISCLOSURES:

The list of related parties of the Group is given below:

Name	Relationship
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	Chairman of the Board of Directors
Onteddu Swaminatha Reddy	Chairman of the Board of Directors (Upto June 24, 2020)
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Director
N. Sudha Rani	Nominee Director
T. Nagesh Reddy	Nominee Director (Upto December 30, 2020)
Valliyur Hariharan Ramakrishnan	Director
Rachana Sammidi	Director
John Eric Bertrand	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AVH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director

Summary of the transactions and balances with the above parties are as follows:

Nature of transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of packing materials	Panchavati Polyfibres Limited	5,680	4,777
Purchase of property, plant and equipment	RV Consulting Services Private Limited	6,340	733
Rent expenses paid	Dr. S. Anand Reddy	39	39
	S. Sreekanth Reddy	39	39
	S. Vanajatha	39	39
	Total	**117**	**117**
Interest expense on loan	Sagar Power Limited	99	99
Services received	Sagarsoft (India) Limited	56	42
	RV Consulting Services Private Limited	-	499
	Total	**56**	**541**
Reimbursement of expenses received	Sagarsoft (India) Limited	8	16
	RV Consulting Services Private Limited	8	7
	Panchavati Polyfibres Limited	6	2
	Sagar Power Limited	3	-
	Total	**25**	**25**
Payment of salary	S. Siddarth	2	-
Received against warrant conversion	RV Consulting Services Private Limited	2,190	6,023
	AVH Resources India Private Limited	4,243	4,243
	Total	**6,433**	**10,266**
Dividend paid	S. Vanajatha	64	25
	RV Consulting Services Private Limited	103	-
	S. Siddarth	53	-
	Panchavati Polyfibres Limited	2	1
	AVH Resources India Private Limited	334	90
	Total	**556**	**116**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Compensation to key managerial personnel:

Nature of transaction	Party name	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	MD, JMD, CS and CFO	1,504	664
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	25	14
Dividend paid	MD, JMD, CS, CFO and Directors	242	134

Outstanding balances:

Nature of transaction	Party name	As at March 31, 2021	As at March 31, 2020
Advances & deposits given	Sagar Power Limited	-	1
	RV Consulting Services Private Limited	-	6
	Sagarsoft (India) Limited	-	-
	Total	**-**	**7**
Loans taken	Sagar Power Limited	900	900
Trade payables	Sagarsoft (India) Limited	-	1
	Panchavati Polyfibres Limited	796	737
	Total	**796**	**738**
Interest payable	Sagar Power Limited	-	11
Payable on purchase of property, plant and equipment	RV Consulting Services Private Limited	-	88
Capital advances	RV Consulting Services Private Limited	4,298	4,539
Outstanding warrants	RV Consulting Services Private Limited (Nil (2019-20: 4.00) lakh warrants)	-	2,190
	AVH Resources India Private Limited (Nil (2019-20: 7.75) lakh warrants)	-	4,243
	Total	**-**	**6,433**

33. OPERATING LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The group lease asset classes primarily consist of leases for land and buildings. The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate.

The group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has recorded right of use asset equal to lease liability, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 1,331 and a lease liability of ₹ 408 .

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	1,176	-
Reclassification on adoption of Ind AS 116	-	648
Recognition on adoption of Ind AS 116	-	683
Additions	101	
Depreciation	(161)	(155)
Closing Balance	**1,116**	**1,176**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss, eligible expenditure relating to Jajpur Cements Private Limited and Satguru Cement Private Limited has transferred to CWIP, as the projects are under implementation.

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	278	-
Recognition on adoption of Ind AS 116	-	408
Additions	101	
Finance cost accrued during the year	23	12
Payment of lease liabilities	(167)	(142)
Closing Balance	**235**	**278**

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Non-current lease liabilities	188	256
Current lease liabilities	47	22
Total	**235**	**278**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on discounted basis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within one year	47	22
After one year but not more than five years	87	191
More than 5 years	101	65

34. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax (₹ in lakhs)	18,560	2,653
Weighted average number of equity shares outstanding (Refer Note below)	23,130,822	21,471,653
Earnings per share:		
Basic and Diluted (in ₹)	80.24	12.36

Note: The convertible share warrants allotted by the Company are anti-dilutive in nature for the previous financial year. There are no more outstanding warrants requiring further conversion into equity shares as on March 31, 2021.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

35. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

As per Section 135 of the Companies Act, 2013, the amount required to be spent by the group for the year is ₹ 106 (2019-20: ₹ 91) i.e., 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, adoption of schools, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent by the group are:

CSR Activities		In Cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	130	-	130
		(84)	(-)	(84)

Amounts in the brackets indicate the previous year numbers.

36. During the year ended March 31, 2019, Parent made a preferential allotment of 31,00,000 convertible warrants of ₹ 730 each to promoter and non-promoter entities on January 24, 2019 and received 25% of the consideration of ₹ 5,658 upon allotment of such warrants. The objective of raising funds through preferential allotment was to invest in Satguru Cement Private Limited (SCPL) and Jajpur Cements Private Limited (JCPL) for setting up a green field integrated cement plant of 1 million MT per annum capacity along with a provision for Waste Heat Recovery power plant at Indore and for setting up of a cement grinding plant of 1.5 million MT per annum at Odisha respectively and for other general corporate purposes.

During the year ended March 31, 2021, the warrant holders opted to convert 12,25,000 (March 31, 2020: 18,75,000) warrants to equal number of equity shares and basis of this 75% of the consideration against warrants as converted of ₹ 6,706 (March 31, 2020: ₹ 10,266) was received. The entire amount was utilized for the purposes for which funds were raised. With the said conversion, there are no more outstanding warrants requiring further conversion into equity shares (March 31, 2020: 12,25,000 warrants outstanding, consideration of ₹ 2,236 received against the outstanding warrants pending conversion to equity shares are disclosed under Money received against share warrants under 'Other Equity').

The Company acquired 100% equity stake in JCPL on May 02, 2019 for a consideration of ₹ 450 and subsequently infused ₹ 3,450 as additional equity into JCPL.

During the year ended March 31, 2020, the Company also invested an amount of ₹ 15,000 in SCPL on May 08, 2019, for acquiring 28,97,143 equity shares (face value of ₹ 10 each at a premium of ₹ 507.75) allotted to the Company on preferential basis, which constitutes 65% equity stake in SCPL. Of the said investment, the Company has disbursed ₹ 8,900 and the balance amount of ₹ 6,100 has been disbursed in the year ended March 31, 2021. Further, the Company has infused an amount of ₹ 4,325 as additional equity into JCPL in the year ended March 31, 2021.

37. Parent is eligible for reimbursement of sales tax against sales made in the state of Andhra Pradesh and reimbursement of power consumption changes, in respect of expansion of grinding unit at Bayyavaram Unit. Such reimbursements are in the nature of government grants and recognized income aggregating ₹ 1,714 (2019-20: ₹ 1,072) under 'Other operating income'.

38. Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Principal place of business	Ownership held by	% of Holding and voting power held directly	
				As at March 31, 2021	As at March 31,2020
Sagar Cements (R) Limited	Subsidiary	India	Sagar Cements Limited	100%	100%
Jajpur Cements Private Limited	Subsidiary	India	Sagar Cements Limited	100%	100%
Satguru Cement Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%

39. Disclosure of additional information as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

As at and for the year ended March 31, 2021:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	99%	1,24,633	87%	16,196	114%	8	87%	16,204
Sagar Cements (R) Limited (Subsidiary)	14%	17,060	16%	2,846	(14)%	(1)	16%	2,845
Satguru Cement Private Limited (Subsidiary)	12%	15,699	(1)%	(119)	-	-	(1)%	(119)
Jajpur Cement Private Limited (Subsidiary)	6%	8,225	(1)%	(131)	-	-	(1)%	(131)
Adjustments arising out of consolidation	(27)%	(34,462)	(1)%	(190)	-	-	(1)%	(190)
Non-controlling interests	(4)%	(5,351)	(0)%	(42)	-	-	(0)%	(42)
Total	**100%**	**1,25,804**	**100%**	**18,560**	**100%**	**7**	**100%**	**18,567**

All amounts are in ₹ Lakhs unless otherwise stated

As at and for the year ended March 31, 2020:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	107%	1,03,251	130%	3,473	108%	(42)	130%	3,431
Sagar Cements (R) Limited (Subsidiary)	6%	5,710	(19)%	(501)	(8)%	3	(19)%	(498)
Satguru Cement Private Limited (Subsidiary)	16%	15,409	(0)%	(11)	-	-	(0)%	(11)
Jajpur Cement Private Limited (Subsidiary)	4%	4,031	(2)%	(57)	-	-	(2)%	(57)
Adjustments arising out of consolidation	(27)%	(26,342)	(8)%	(215)	-	-	(8)%	(215)
Non-controlling interests	(6)%	(5,393)	(1)%	(18)	-	-	(1)%	(18)
Total	**100%**	**96,666**	**100%**	**2,671**	**100%**	**(39)**	**100%**	**2,632**

Note :

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of intercompany transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

40. RECONCILIATION OF REVENUE AS PER CONTRACT PRICE AND RECOGNISED IN STATEMENT OF PROFIT AND LOSS:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue as per Contract price	1,57,785	1,32,730
Less: Discounts and incentives	(22,848)	(16,889)
Revenue as per statement of profit and loss	1,34,937	1,15,841

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

41. During the year ended March 31, 2021, Sagar Cements (R) Limited, the wholly owned subsidiary Company has issued 1,21,50,000 equity shares of ₹ 10/- each at a premium of ₹ 60/- per share to Parent Company. Consequent to the issue of fresh equity shares, total no. of equity shares increased to 11,59,62,925 and paid up share capital increased to ₹ 11,596. The above shares were issued against the interest accrued payable on unsecured loan and advances payable of an amount of ₹ 3,614 and ₹ 4,814 respectively and balance share issue amount of ₹ 77 paid in cash.

42. The Board of Directors of the Company in their meeting held on May 12, 2021 have recommended for approval of the shareholders a dividend at ₹ 6.50 per equity share of ₹ 10 each (65%) on the 2,35,00,000 equity shares of the Company, which includes two interim dividends aggregating to ₹ 4 per equity share (40%), already paid during the financial year 2020-21. Proposed dividend of ₹ 2.50 per equity share is not recognised as a liability as at March 31, 2021.

43. The Board of Directors of Sagar Cements Limited in their meeting held on April 26, 2021 have approved the Scheme of Amalgamation of its wholly owned subsidiary Sagar Cements (R) Limited (SCRL) with Sagar Cements Limited with effect from March 30, 2021 (Appointed date). The scheme is subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme from the concerned authorities, the undertakings of Sagar Cements (R) Limited shall get transferred to and vested in Sagar Cements Limited with effect from March 30, 2021 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval from authorities, the effect of merger has not been given in the financial statements of the Group.

44. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the code when it comes into effect and will any related impact in the period the code becomes effective.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

45. GOODWILL ARISING ON ACQUISITION OF SATGURU CEMENT PRIVATE LIMITED AND JAJPUR CEMENTS PRIVATE LIMITED DURING THE FINANCIAL YEAR 2019-20:

On May 08, 2019, Sagar Cements Limited acquired 65% stake in Satguru Cement Private Limited by way of subscribing to 289 lakh equity shares allotted on preferential basis. The total cost of acquisition was ₹ 15,000. The purchase price has been allocated based on management's estimates and independent appraisal of fair values. The goodwill has been determined as follows:

Particulars	Amount (₹)	Amount (₹)
Consideration paid		15,000
Assets		
Non-current	20,263	
Current	1,615	
	21,878	
Liabilities		
Non-current	235	
Current	1,456	
	1,691	
Less: Net assets of Satguru Cement Private Limited as on May 08, 2019		20,187
Less: Non-controlling interest as on May 08, 2019		5,411
Goodwill on Consolidation		**224**

On May 02, 2019, Sagar Cements Limited acquired 100% stake in Jajpur Cements Private Limited. The total cost of acquisition was ₹ 450. The goodwill has been determined as follows

Particulars	Amount (₹)	Amount (₹)
Consideration paid		450
Assets		
Non-current	818	
Current	355	
	1,173	
Liabilities		
Non-current	46	
Current	742	
	788	
Less: Net assets of Jajpur Cements Private Limited as on May 02, 2019		385
Goodwill on Consolidation		**65**

46. These consolidated financial statements were approved by the Company's Board of Directors on May 12, 2021.

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Notice

SAGAR CEMENTS LIMITED

(CIN : L26942TG1981PLC002887)

Notice is hereby given that the 40th Annual General Meeting of the Members of Sagar Cements Limited will be held on Wednesday, the 28th July, 2021 at 2.00 p.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited stand-alone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that the audited stand-alone Financial Statements of the Company for the year ended 31st March, 2021 together with the reports of the auditors and directors thereon and the audited Consolidated Financial Statements of the Company for the year ended 31st March, 2021 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted."

2. To confirm the two interim dividends already paid on the 2,35,00,000 equity shares of ₹10/- each of the company and to declare a further dividend on the said shares for the financial year ended 31st March, 2021 and in this to pass the following resolutions as Ordinary Resolutions.

   "Resolved that the two interim dividends aggregating to ₹4.00 per share (40%) on the 2,35,00,000 equity shares of ₹10/- each of the company paid to the shareholders during the year 2020-21 for the financial year ended 31st March, 2021, be and are hereby confirmed.

   Resolved Further that a further dividend of ₹2.50 per share (25%) on the said 2,35,00,000 equity shares of ₹10/- each of the company be and is hereby declared for the financial year ended 31st March, 2021."

3. To re-appoint the retiring director, Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that Shri S.Sreekanth Reddy (DIN: 00123889) who retires by rotation as director in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

4. To re-appoint the retiring director, Mrs.S.Rachana (DIN: 01590516), who retires by rotation as director and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that Mrs.S.Rachana (DIN: 01590516) who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

SPECIAL BUSINESS

5. Ratification of remuneration payable to the Cost Auditors

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

"Resolved that pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval accorded by the Board of Directors of the company for payment of remuneration of ₹5,00,000/- plus reimbursement of applicable taxes, travelling and other out of pocket expenses, if any, to M/s.Narasimha Murthy & Co., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No.000042), to conduct the audit of the cost records of the company for the financial year ending March 31, 2022 be and is hereby ratified."

6. Re-appointment of Dr.S.Anand Reddy (DIN: 00123870) as Managing Director of the company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution.

"Resolved that in accordance with Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013, the Rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, required from the Central Government, Financial Institutions and other authorities concerned, approval of the members be and is hereby accorded to the re-appointment of Dr.S.Anand Reddy (DIN: 00123870) as Managing Director of the Company, for a period of three years with effect from 31st October, 2021 on the following terms:

Tenure	3 years with effect from 31st October, 2021
Salary	₹15,00,000/- p.m.
Perquisites	In addition to salary, the Managing Director will be eligible for perks and allowances subject to a maximum of 75% of salary and these perquisites/ allowances may include the following: Provision for Rent Free Accommodation or House Rent Allowance, House Maintenance and Utility Allowance. Reimbursement of hospitalization and other medical expenses for self and family, personal accident insurance, car facility, telecommunication facility and club membership fee etc. Valuation of the above perquisites and allowances will be as per the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such rules, these perquisites and allowances will be valued at cost.
Other benefits	The Managing Director will be eligible for contribution to P.F., Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure as per the rules of the company.
Commission	Commission @ 4% on the Net Profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof.
Other Terms	

Nature of Duties	The Managing Director shall devote his time and attention to the business of the company and perform such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company and the business of its subsidiary company, including performing duties as assigned to him from time to time by serving on the Board of the subsidiary company or any other executive body or any committee of such company/companies.
Termination of appointment	The appointment may be terminated by either party by giving to the other party six months notice of such termination.

Resolved Further that consent of the members be and is hereby accorded under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for payment of the above remuneration.

Resolved Further that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. Re-appointment of Shri S.Sreekanth Reddy (DIN: 00123889) as Joint Managing Director of the company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution.

"Resolved that in accordance with Section 196, 197 and other applicable provisions of the Companies Act, 2013, the Rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, required from the Central Government, Financial Institutions and other authorities concerned, approval of the members be and is hereby accorded to the re-appointment of Shri S.Sreekanth Reddy (DIN: 00123889) as Joint Managing Director of the Company, for a period of three years with effect from 31st October, 2021 on the following terms:

Tenure	3 years with effect from 31st October 2021
Salary	₹13,50,000/- p.m.
Perquisites	In addition to salary, the Joint Managing Director will be eligible for perks and allowances subject to a maximum of 75% of salary and these perquisites/ allowances may include the following: Provision for Rent Free Accommodation or House Rent Allowance, House Maintenance and Utility Allowance. Reimbursement of hospitalization and other medical expenses for self and family, personal accident insurance, car facility, telecommunication facility and club membership fee etc. Valuation of the above perquisites and allowances will be as per the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such rules, these perquisites and allowances will be valued at cost.
Other benefits	The Joint Managing Director will be eligible for contribution to P.F., Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure as per the rules of the company.
Commission	Commission @ 4% on the Net Profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof.
Other Terms	
Nature of Duties	The Joint Managing Director shall devote his whole time and attention to the business of the company and perform such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company and the business of its subsidiary company, including performing duties as assigned to him from time to time by serving on the Board of the subsidiary company or any other executive body or any committee of such company/companies.
Termination of appointment	The appointment may be terminated by either party by giving to the other party six months notice of such termination.

Resolved Further that consent of the members be and is hereby accorded under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for payment of the above remuneration.

Resolved Further that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

8. Sub-division of Share Capital into smaller amount and consequent changes in the Memorandum and Articles of Association of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution.

"Resolved that pursuant to the provisions of section 13, 14, 61, 64 and all other applicable provisions, if any of the Companies Act, 2013 and the rules made there under including the statutory modification(s) or re-enactment(s) thereof for the time being in force and the relevant provisions of the Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities Exchange Board of India (SEBI) and the other Rules, Regulations, Circulars, Notifications, etc. issued there under, consent of the Shareholders of the Company be and is hereby accorded to approve the sub-division of the nominal value of equity shares of the Company from the existing nominal value of ₹10 (Rupees Ten Only) each to a nominal value of ₹2 (Rupees two only) per share, keeping the paid share capital intact and consequently, the existing Clause V of the Memorandum of Association of the Company be deleted and substituted by the following new Clause V:

"The authorized share capital of the Company is ₹23,50,00,000 (Rupees Twenty Three Crores Fifty Lakhs only) divided into 11,75,00,000 (Eleven Crores Seventy Five Lakhs only) Equity Shares of ₹2/- (Rupees Two only) each"

Resolved Further that consequent to the sub-division of the nominal value of equity shares as mentioned above and pursuant to Section 14 and all other provisions, if any, of the Companies Act, 2013 and the rules made there under, the Article 3 of the Articles of Association of the Company be deleted and substituted by the following new Article 3:

"The authorized share capital of the Company is ₹23,50,00,000 (Rupees Twenty Three Crores Fifty Lakhs only) divided into 11,75,00,000 (Eleven Crores Seventy Five Lakhs only) Equity Shares of ₹2/- (Rupees Two only) each to be increased, reduced or otherwise dealt with, in accordance with the provisions of the Companies Act, 2013"

Resolved Further that pursuant to Sub-Division of the equity shares of the Company as proposed above, the nominal value of ₹10 (Rupees Ten only) of each of all the issued, subscribed and paid-up equity shares of the Company existing on the Record Date to be fixed by the Board of Directors of the Company shall stand sub-divided into equity shares of nominal value of ₹2/- (Rupee Two only) each fully paid.

Resolved Further that upon Sub-Division of equity shares, as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of ₹ 10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the "Record Date" to be fixed by the Board of Directors of the Company and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company, in lieu thereof, subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and in the case of members who hold the equity shares / opt to receive the sub-divided equity shares in dematerialized form, the subdivided equity shares of nominal value of ₹2/- (Rupee Two only) each shall be credited to the respective beneficiary account of the members with their respective depository participants and the Company shall undertake such Corporate Action(s) as may be necessary in relation to the existing equity shares of the Company.

Resolved Further that the Board of Directors of the Company be and is hereby authorized to do on behalf of the Company all such acts, deeds and things as may be required or considered necessary in the above connection or incidental thereto or to delegate all or any of the powers herein vested in them to give effect to the above. resolution."

By Order of the Board of Directors

Hyderabad
1st July, 2021

R. Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 17th August, 2020 and 13th January, 2021 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue.

2. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the MCA Circulars and SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, the 40th Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "AGM' or "e-AGM"). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.

3. e-AGM: The Company has appointed M/s KFin Technologies Private Limited ("KFIN"), Registrar and Transfer Agent of the Company, to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the e-AGM.

4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item Nos. 5, 6, 7 and 8 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 1st July, 2021 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 40th AGM of the Company.

6. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.

7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at bssass99@gmail.com with a copy marked to evoting@kfintech.com and company's email id at info@sagarcements.in.

8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited having office at Selenium Building, Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.

9. **Attendance at the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at https://evoting.kfintech.com by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No.20 below. Kindly refer to Note No.19 below for detailed instructions for participating in the e-AGM through Video Conferencing.

10. The Members can join the e-AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.

11. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders

holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

12. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. Remote e-Voting: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Private Limited. Kindly refer Note No.20 below for detailed instruction for remote-voting.

14. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Private Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note No.21 below for instruction for e-voting during the AGM.

15. The Company has fixed 25th June, 2021 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.

16. The Register of Members and Transfer Book of the Company will be closed from 20th July, 2021 to 28th July, 2021 (both days inclusive).

17. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.sagarcements.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and The National Stock Exchange of India Limited at www.nseindia.com. The same is also available on the website of KFin Technologies Private Limited at the website address https://evoting.kfintech.com/.

18. **Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).**

    i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

        a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.

        b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email ID einward.ris@kfintech.com along with scanned copy of the duly signed request letter by first holder providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

    ii. Those members who have not registered their email and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Annual Report, Notice of e-AGM and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

    iii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

19. Instructions to the Members for attending the e-AGM through Video Conference.

    i. For attending the e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may login into its website link https://emeetings.kfintech.com by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.

    ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No.20 below.

    iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome for better experience.

    iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

    v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

    vi. **Submission of Questions / queries prior to e-AGM:**

        a) Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., soundar@sagarcements.in or info@sagarcements.in and marking a copy to evoting@kfintech.com mentioning their name, DP ID- Client

ID/ Folio number atleast 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.

b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link https://emeetings.kfintech.com, by mentioning their name, demat account number/ folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

vii. **Speaker Registration before e-AGM:** In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit https://emeetings.kfintech.com and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 19(vi) above.

vii. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to soundar@sagarcements.in or info@sagarcements.in.

20. **Instructions for members for remote e-Voting:**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Private Limited ('remote e-voting'). Members attending the e-AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

i. The remote e-voting facility will be available during the following period:

a. Day, date and time of commencement of remote e-voting 24th July, 2021 (9.00 A.M. IST) and ends on 27th July, 2021 (5.00 P.M. IST).

b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed 27th July, 2021 at 5:00 P.M.

ii. Details of Website: https://evoting.kfintech.com

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being 19th July, 2021. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on 25th June, 2021 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 25th June, 2021 being the date reckoned for sending through email, the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. 19th July, 2021 may obtain the User Id and password in the manner as mentioned below:

a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DPID Client ID to +91-9212993399.

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE>XXXX1234567890

b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of https://evoting. kfintech.com, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

c) Member may call KFin's Toll free number 1-800-3094-001. Member may send an e-mail request to evoting@kfintech.com.

v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.

vi. Details of persons to be contacted for issues relating to e-voting:

Mr. K.Raj Kumar, Assistant General Manager - Corporate Registry, KFin Technologies Private Limited, Unit: Sagar Cements Limited, Selenium Building, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 18003094001.

vii. Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

viii. The procedure and instructions for the remote evoting facility for Individual shareholders holding securities in demat mode are provided as follows.

Type of shareholders		Login Method
Individual Shareholders holding securities in demat mode with NSDL	1.	**User already registered for IDeAS facility:** Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.
		On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting"
		Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.
	2.	**User not registered for IDeAS e-Services** To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1
	3.	**Alternatively by directly accessing the e-Voting website of NSDL**
		Open URL: https://www.evoting.nsdl.com/
		Click on the icon "Login" which is available under 'Shareholder/Member' section.
		A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.
		Post successful authentication, you will requested to select the name of the company and the e-voting Service Provider name, i.e.KFintech.
		On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with CDSL	1.	**Existing user who have opted for Easi/Easiest** Visit URL: https://web.cdslindia.com/myeasi/home/ login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal. Click on e-Voting service provider name to cast your vote.
	2.	**User not registered for Easi/Easiest** Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1
	3.	**Alternatively, by directly accessing the e-Voting website of CDSL** Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e-voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant		You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or e-voting service provider - **KFintech** and you will be redirected to e-voting website of **KFintech** for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

ix. The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:

a. Open your web browser during the remote e-voting period and navigate to 'https://evoting.kfintech.com'.

b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

c. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

d. You need to login again with the new credentials.

e. On successful login, the system will prompt you to select the e-voting Event Number for Sagar Cements Limited.

f. If you are holding shares in Demat form and had logged on to https://evoting.kfintech.com and casted your vote earlier for any other Company, then your existing login id and password are to be used.

g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e.19th July 2021 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut- off date.

h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.

j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.

l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).

m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: bssass99@gmail.com with a copy to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of https://evoting.kfintech.com or contact Mr. K.Raj Kumar, Assistant General Manager of KFin Technologies Private Limited at 1800- 3094-001 (toll free).

n. The Scrutinizer's decision on the validity of the vote shall be final.

o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.

p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e- AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.sagarcements.in and on the website of KFin Technologies Private Limited i.e. https://evoting.kfintech.com. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

21. **Instructions for members for Voting during the e-AGM session**

i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the e-AGM.

ii. e-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.

iii. Members / shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the e-AGM.

iv. Members who have voted through Remote e-voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

22. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH13 duly filled in to M/s KFin Technologies Private Limited on einward.ris@kfintech.com. Members holding shares in demat form may contact their Depository Participant for availing this facility.

23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

    The shareholders are requested to update their PAN with the Company/ KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to soundar@sagarcements.in or info@sagarcements.in by 5.00.p.m IST on 27th July, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.p.m IST on 27th July, 2021.

24. Members seeking any information/documents referred to in the Notice and the Explanatory statement and with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before 19th July, 2021 through email to info@sagarcements.in for seeking information, If any, the same will be replied by the Company suitably.

25. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

26. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/ P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited (KFin) for assistance in this regard.

27. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

28. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e- AGM.

29. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFin Technologies Private Limited.

30. The Company has fixed 19th July, 2021 as the 'Record Date' for determining entitlement of members to the final dividend of ₹2.50 per share for the financial year ended 31st March, 2021, if approved at the AGM.

31. The dividend(s), if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.

32. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.

33. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source, will be made within 30 days from the date of AGM, as under:

    i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on 19th July, 2021.

    ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on 19th July, 2021.

34. Members who have not yet encashed their dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company. The details of dividend lying unclaimed in respect of these years are available in the Company's website www.sagarcements.in.

Year	Nature of Dividend	Rate of Dividend
2014-15	Interim	50% (₹5/- per share)
2014-15	Final	25% (₹2.50 per share)
2015-16	Interim	50% (₹5/- per share)
2016-17	Final	15% (₹1.50 per share)
2017-18	Interim	25% (₹2.50 per share)
2017-18	Final	15% (₹1.50 per share)
2018-19	Final	25% (₹2.50 per share)
2019-20	Final	25% (₹2.50 per share)
2020-21	Two Interim Dividends	Each at 20% (₹2/- per share)

35. In compliance with the aforesaid MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Integrated Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for 2020-2021 are also available on the Company's website www.sagarcements.in, websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com and The National Stock Exchange of India Limited at www.nseindia.com and on the website of e-voting agency KFin Technologies Private Limited at https://evoting.kfintech.com.

36. Members may note that the Annual Report for the year 2020-2021 is also available on the Company's website www.sagarcements.in for their download.

37. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 40th AGM and facility for those Members participating in the AGM to cast vote through e-voting system during the AGM.

38. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.

39. During the 40th AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the e-AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.

40. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.sagarcements.in and on the website of KFin Technologies Private Limited immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to The National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai.

41. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

By Order of the Board of Directors

Hyderabad
1st July, 2021

R. Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Annexure to the Notice of the 40th Annual General Meeting

ANNEXURE 1

Statement pursuant to Section 102 (1) of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No's.5 to 8 of the accompanying Notice dated 1st July, 2021.

On Item No.5

The Board, on the recommendation of its Audit Committee, has approved the appointment of M/s.Narasimha Murthy & Co., Cost Accountants as the Cost Auditors for the Financial Year 2021-22 and payment of remuneration to the said Cost Auditors as mentioned in the resolution, which is similar to the remuneration paid to the said firm for the year 2020-21.

In accordance with the provisions of Section 148 of the Act, 2013 and the Rules made there under, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the company.

Accordingly, an Ordinary Resolution as set out at Item No.5 of the Notice containing the remuneration as approved for Cost Auditors is submitted for ratification by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested, financially or otherwise in the said Resolution.

Your directors recommend the resolution for approval of the shareholders.

On Item No.6

The current tenure of Dr.S.Anand Reddy as Managing Director will be coming to a close on 30th October, 2021. Pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, Dr.S.Anand Reddy, as Managing Director was re-appointed by the Board as Managing Director on 1st July, 2021 to hold the said office for a period of 3 years w.e.f. 31st October, 2021, on a remuneration and other terms as detailed in the resolution. This appointment needs further approval of the shareholders. Under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the aggregate of the annual remuneration payable to all the Executive Directors, who are promoters or members belonging to the promoter group, exceeds 5% of the net profits, the payment of the same requires approval of the shareholders by way of a special resolution. As the remuneration proposed for Dr.S.Anand Reddy, a promoter, is likely to exceed the said limit, approval of the shareholders is being sought for payment of the same through a special resolution. Dr.S.Anand Reddy has been associated with the company for nearly 28 years as its whole-time director. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I	**GENERAL INFORMATION**		
	(1)	Nature of Industry	Cement
	(2)	Date of commencement of commercial production	26.01.1985
	(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable
	(4)	Financial performance based on given indicators	(see table below)
	(5)	Export performance and net foreign exchange earnings	Nil
	(6)	Foreign investments or collaborators, if any	Foreign Investments held in the company as on 31.03.2021 are as under: (see table below). There are no foreign collaborators.
II	**INFORMATION ABOUT THE APPOINTEE**		
	(1)	Background details	Dr.S.Anand Reddy, aged 57, is an M.B.B.S. Doctor. He is one of the members of the promoter group. He has been a member of the Board since 23.11.1991. He was appointed as a whole-time director with the designation Director (Marketing & Projects) w.e.f. 21st November 1992. Later, in the year 2008, he was appointed as Joint Managing Director. He was appointed by the Board as Managing Director on 29th October, 2018 and has been re-appointed by the Board in the current position on 1st July, 2021, which is subject to approval of the shareholders.
	(2)	Past remuneration	₹7,13,80,000/- was paid as remuneration including commission during the financial year 2020-21.

(4) Financial performance based on given indicators:

Description	₹ in Lakhs 2020-21	2019-20
Income	1,02,239	86,390
Profit before Interest Depreciation & Tax	30,315	11,890
Profit after Tax	16,196	3,473

(6) Foreign investments:

Particulars	No.of Equity Shares of ₹10/- each
Foreign Portfolio Investors	7,60,882
NRIs	1,54,002
Total (3.89% of the paid-up capital)	**9,14,884**

	(3)	Recognition or awards	-
	(4)	Job profile and suitability	The Managing Director devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Board from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, he is looking after the overall day to day affairs of the company along with the other whole-time director of the company. He is also on the Board of the company's wholly-owned subsidiary, Sagar Cements (R) Limited as Managing Director, from where he draws no remuneration.
			Suitability: Dr.S.Anand Reddy, was instrumental in carrying out the expansion of the company's plants at its various stages. The company needs an experienced person to co-ordinate the operations of the plant and implement its further expansions. Commercial acumen and the overall experience already gained by Dr.S.Anand Reddy in running the Company's plant and its marketing operations as Joint Managing Director makes him highly suitable for the proposed appointment particularly at a time when the company's subsidiaries are expected to complete their projects under implementation.
	(5)	Remuneration proposed	As detailed in the resolution
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Dr.S.Anand Reddy is more or less in line with the remuneration prevailing in the companies of similar size in the cement industry.
	(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Dr.S.Anand Reddy is related to Shri S.Sreekanth Reddy, Joint Managing Director and Mrs.S.Rachana, Non- Executive Director of the Company and all these three directors are part of promoter group. He is holding 13,06,524 (5.56%) equity shares in the company in his individual capacity.
III	**OTHER INFORMATION**		
	(1) (2) (3)	Reasons for loss or inadequate profits Steps taken or proposed to be taken for improvement Expected increase in productivity and profits in measurable terms	The company did not incur any loss in the year 2020-21 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Managing Director. The infrastructure and construction industries, which are the main drivers for cement industry are expected to get further boost in the coming years with the Governments' continuous thrust to these sectors. These will hopefully further increase the demand for cement which will put the performance of the company on a stronger position particularly in the context of its aggressive growth plans.
IV	Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013		This has been provided in the Annexure-2 to the Notice of the AGM

As the resolution relates to the re-appointment of Dr.S.Anand Reddy as Managing Director and payment of remuneration to him, to that extent he along with Shri S.Sreekanth Reddy and Mrs.S.Rachana, who are the other directors related to him, may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Board is of the firm view that it would be in the interest of the company that Dr.S.Anand Reddy, be re-appointed as Managing Director and accordingly it commends the resolution for approval of the shareholders.

On Item No.7

The current tenure of Shri S.Sreekanth Reddy as Joint Managing Director will be coming to a close on 30th October, 2021. Pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, Shri S.Sreekanth Reddy was re-appointed as Joint Managing Director by the Board on 1st July, 2021 to hold the said office for a period of 3 years w.e.f. 31st October 2021 on a remuneration and other terms as detailed in the resolution. This appointment needs further approval of the shareholders. Under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the aggregate of the annual remuneration payable to all the Executive Directors, who are promoters or members belonging to the promoter group, exceeds 5% of the net profits, the payment of the same requires approval of the shareholders by way of a special resolution. As the remuneration proposed for Shri S.Sreekanth Reddy, a promoter, is likely to exceed the said limit, approval of the shareholders is being sought for payment of the same through a special resolution. Shri S.Sreekanth Reddy has been associated with the company for nearly 25 years as its whole-time director. The company has immensely benefited from his business acumen, technical knowledge and leadership qualities.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I GENERAL INFORMATION

(1)	Nature of Industry	Cement
(2)	Date of commencement of commercial production	26.01.1985
(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable
(4)	Financial performance based on given indicators	

Description	₹ in Lakhs 2020-21	2019-20
Income	1,02,239	86,390
Profit before Interest Depreciation & Tax	30,315	11,890
Profit after Tax	16,196	3,473

(5)	Export performance and net foreign exchange earnings	Nil
(6)	Foreign investments or collaborators, if any	Foreign Investments held in the company as on 31.03.2021 are as under:

Particulars	No.of Equity Shares of ₹10/- each
Foreign Portfolio Investors	7,60,882
NRIs	1,54,002
Total (3.89% of the paid-up capital)	**9,14,884**

There are no foreign collaborators.

II INFORMATION ABOUT THE APPOINTEE

(1)	Background details	Shri S.Sreekanth Reddy, aged 49, is a graduate in Industrial Engineering and holding a post graduate diploma in cement technology. He is one of the members of the promoter group. He joined the Board on 26.06.2003, as technical director. Later, in the year 2008, he was appointed as Executive Director. He was appointed by the Board as Joint Managing Director on 29th October, 2018 and has been re-appointed in the current position by the Board on 1st July, 2021, which is subject to approval of the shareholders.
(2)	Past remuneration	₹6,92,80,000/- was paid as remuneration including commission during the financial year 2020-21.
(3)	Recognition or awards	-
(4)	Job profile and suitability	The Joint Managing Director devotes his whole time and attention to the business of the company and carries out such duties as may be entrusted to him by the Managing Director and or by the Board from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the company. Currently, he is looking after the overall day to day affairs of the company along with the Managing director of the company. He is also on the Board of the company's wholly-owned subsidiary, Sagar Cements (R) Limited as a Non-Executive Director and as Managing Director in another wholly-owned subsidiary, Jajpur Cements Private Limited and from both these subsidiaries, he draws no remuneration.
		Suitability: Shri S.Sreekanth Reddy, was instrumental in carrying out the expansion of the company's plants at its various stages. The company needs an experienced cement technologist to co-ordinate the operations of the plants and foresee their future expansion. Commercial acumen and the experience already gained by Shri S.Sreekanth Reddy in this area as Executive Director makes him suitable for the proposed appointment particularly at a time when the company's subsidiaries are expected to complete their projects under implementation.
(5)	Remuneration proposed	As detailed in the resolution
(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Shri S.Sreekanth Reddy is more or less in line with the remuneration prevailing in the companies of similar size in the cement industry.
(7)	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Shri S.Sreekanth Reddy is related to Dr.S.Anand Reddy, Managing Director and Mrs.S.Rachana, Non Executive Director of the Company and all these three directors form part of the promoter group. He is holding 12,39,353 (5.27%) equity shares in the company in his individual capacity.

III OTHER INFORMATION

(1)	Reasons for loss or inadequate profits	The company did not incur any loss in the year 2020-21 and barring unforeseen circumstances, there is no likelihood of the company incurring any loss during his proposed tenure as the Joint Managing Director. The infrastructure and construction industries, which are the main drivers for cement industry are expected to get further boost in the coming years with the Government's continuous thrust to these sectors. These will hopefully further increase the demand for cement, which will put the performance of the company on a stronger position particularly in the context of its aggressive growth plans.
(2)	Steps taken or proposed to be taken for improvement	
(3)	Expected increase in productivity and profits in measurable terms	

IV	Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013	This has been provided in the Annexure-2 to the Notice of the AGM

As the resolution relates to the re-appointment of Shri S.Sreekanth Reddy as Joint Managing Director and payment of remuneration to him, to that extent he along with Dr.S.Anand Reddy and Mrs.S.Rachana, who are the other directors related to him, may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Board is of the firm view that it would be in the interest of the company that Shri S.Sreekanth Reddy be re-appointed as Joint Managing Director and accordingly it commends the resolution for approval of the shareholders.

On Items No.8

The Equity Shares of your Company have been listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange (BSE) where they are actively traded. With a view to have more participation from the investors in the scrip and in order to increase the liquidity and make the equity shares of the Company more affordable to deal with by small investors, the Board of Directors of your Company in its meeting held on 1st July, 2021 has recommended Sub-Division of Equity Shares of nominal value of ₹ 10/- (Rupees Ten Only) each fully paid up into 11,75,00,000 (Eleven Crores Seventy Five Lakhs Only) Equity Shares of nominal value of ₹2/- (Rupees Two Only) fully paid up, thereby keeping the paid up capital intact.

The consent of the members is sought through a special resolution for sub-division of equity shares of the Company into smaller denomination and consequently to amend the Memorandum of Association and the Article of Association. The Record Date for the aforesaid sub-division of the Equity Shares will be fixed in due course after approval of the Members is obtained.

The draft of revised Memorandum of Association and the Articles of Association of the Company, reflecting the said changes are available for inspection by the members at the Registered Office of the Company from 11.00.a.m. to 1.00 p.m. on all working days up to the date of the 40th Annual General Meeting of the Company.

The Directors, KMP and their relatives of the Company may be deemed to be concerned or interested in the above said resolution to the extent of their respective shareholdings, if any, in the company to the same extent as that of every other members of the Company.

The Board of Directors recommends passing of the proposed resolution in Item No.8 as the same is in the best interest of the company and the investors.

By Order of the Board of Directors

Hyderabad
1st July, 2021

R. Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

ANNEXURE 2

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)

Details of Directors seeking re-appointment at the Annual General Meeting

Name of the Director	Dr. S. Anand Reddy	S. Sreekanth Reddy	Mrs. S. Rachana
DIN	00123870	00123889	01590516
Date of birth	10.06.1964	27.08.1971	04.08.1975
Age	57 years	49 years	45 years
Qualification	M.B.B.S.	B.E. (I & P) and PG Diploma in cement technology	B.Sc.,
Experience in specific functional areas	Corporate Executive	Corporate Executive	Corporate Executive
Date of first appointment on the Board	23.11.1991	26.06.2003	18.03.2015
Nature of Appointment	Re-appointment as Managing Director	Retires by rotation and offers himself for re-appointment	Retires by rotation and offers herself for re-appointment
Terms and Conditions of Reappointment	Re-appointment as Managing Director on terms and conditions as detailed in Resolution No.6	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013 and Re-appointment as Joint Managing Director on terms and conditions as detailed in Resolution No.7	Appointment as a director subject to retirement by rotation under Sec.152 of the Companies Act, 2013
Directorships in other Companies (other than listed companies)	1. Sagar Power Limited 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Panchavati Polyfibres Ltd. 4. Super Hydro Electric Pvt.Ltd. 5. Satguru Cement Pvt.Ltd. 6. Jajpur Cements Pvt.Ltd.	1. Sagar Power Ltd. 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Sree Venkateswara Winery and Distillery Pvt.Ltd. 4. Super Hydro Electric Pvt.Ltd. 5. Satguru Cement Pvt.Ltd. 6. Jajpur Cements Pvt.Ltd.	1. Panchavati Poly Fibres Ltd. 2. R V Consulting Services Pvt.Ltd.
Directorships in other Listed Companies	Sagar Cements (R) Ltd.	Sagar Cements (R) Ltd. Sagarsoft (India) Ltd.	Nil
Membership/Chairmanship of Committees of other Boards	Chairman of the Audit Committee in Sagar Power Ltd.	Member of Nomination and Remuneration Committee in Sagar Cements (R) Ltd.	Nil
Membership of Audit / Shareholders / Investors Grievances Committees of Public Limited Companies	Member of Stakeholders' Relationship Committee of Sagar Cements Limited	Nil	Nil
No. of shares held in Sagar Cements Ltd.	13,06,524	12,39,353	11,67,283
Number of Board Meetings attended	5	5	5
Details of Remuneration last drawn	An amount of ₹7,13,80,000/- was paid towards remuneration as Managing Director during the financial year 2020-21	An amount of ₹6,92,80,000/- was paid towards remuneration as Joint Managing Director for the financial year 2020-21	Nil
Remuneration sought to be paid	As mentioned in Resolution seeking his re-appointment	As mentioned in Resolution seeking his re-appointment	-
Inter-se relationship with other Directors of the Company	Related to Shri S.Sreekanth Reddy, Joint Managing Director and Mrs.S.Rachana, Non-Executive Director	Related to Dr.S.Anand Reddy, Managing Director and Mrs. S.Rachana, Non-Executive Director	Related to Dr.S.Anand Reddy, Managing Director and Shri S.Sreekanth Reddy, Joint Managing Director

By Order of the Board of Directors

Hyderabad
1st July, 2021

R. Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Notes

Corporate information

BOARD OF DIRECTORS

Shri. K. Thanu Pillai
Chairman
Independent Director

Dr. S. Anand Reddy
Managing Director

Shri S. Sreekanth Reddy
Joint Managing Director

Smt. S. Rachana
Non-Executive Director

Shri. V. H. Ramakrishnan
Independent Director

Smt. O. Rekha
Independent Director

Shri. John Eric Bertrand
Non-Executive Director

Smt. N. Sudha Rani
APIDC Nominee Director

Shri. Jens Van Nieuwenborgh
Alternate Director to Shri John-Eric Bertrand

COMPANY SECRETARY

Shri. R. Soundararajan

CHIEF FINANCIAL OFFICER

Shri. K. Prasad

SENIOR MANAGEMENT TEAM

Shri. K. Ganesh
Group President

Shri. Rajesh Singh
Chief Marketing Officer

Shri. O. Anji Reddy
Chief Sustainability Officer

Shri. D.S.N.V. Prasad
Sr. Vice President - Mattampally

Shri. E. P. Ranga Reddy
Asst. Vice President - Gudipadu

Shri. K. Srinivasa Rao
Sr. General Manager - Bayyavaram

AUDITORS

M/s. Deloitte Haskins & Sells

Chartered Accountants (FR NO. 008072S)
KRB Towers, Plot No. 1 to 4 & 4A, 2nd & 3rd Floor
Jubilee Enclave, Madhapur, Hyderabad-500 081

COST AUDITORS

M/s. Narasimha Murthy & Co.,
Cost Accountants (FR No. 000042)
104, Pavani Estates, Y. V. Rao Mansion
Himayatnagar, Hyderabad – 500 029

REGISTERED OFFICE

Plot No. 111, Road No. 10, Jubilee Hills
Hyderabad-500 033. Tel: 040 – 23351571
Fax: 040 – 23356573
Website: www.sagarcements.in,
e-mail: info@sagarcements.in

CORPORATE IDENTITY NUMBER

L26942TG1981PLC0028874

BANKERS

SBI
YES BANK
FEDERAL BANK
AXIS BANK
HDFC BANK
IFC International Finance Corporation

PLANTS

Cement Plants:

1. Mattampally, Via Huzurnagar
   Suryapet District, Telangana-508 204
   Tel: 08683 – 247039

2. Gudipadu, Gudipadu Village and Post
   Yadaki Mandal, Ananthapur District, Andhra Pradesh-515408
   Tel: 08558 – 200272

3. Bayyavaram Village, Kasimkota Mandal
   Visakhapatnam District, Andhra Pradesh-531031
   Tel: 08924 – 244098 / 244550

Hydel Power Units:

1. **Guntur Branch Canal Hydel Project**
   Tsallagundla Adda Road, Nekarikallu Mandal
   Guntur District, Andhra Pradesh-522 615

2. **Lock-in-Sula Hydel Project**
   Banumukkala Village, Banakacherla Regulator
   Pamulapadu Mandal, Kurnool District, A.P.-518 422

SAGAR
CEMENT

Sagar Cements Limited

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Jubilee Hills, Hyderabad - 500 033
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