



SAGAR CEMENTS LIMITED

Ref:SCL:SEC:2020-21

27th July 2020

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
BSE Limited
P J Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 502090

Dear Sirs

Sub: Intimation under Regulation 30 of SEBI (LODR) Regulations 2015

...

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are forwarding herewith Sustainability Report of our company which has just been released for the year 2018-19.

Thanking you

Yours faithfully
For Sagar Cements Limited


R. S. Sundararaj
Company Secretary



Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500 033

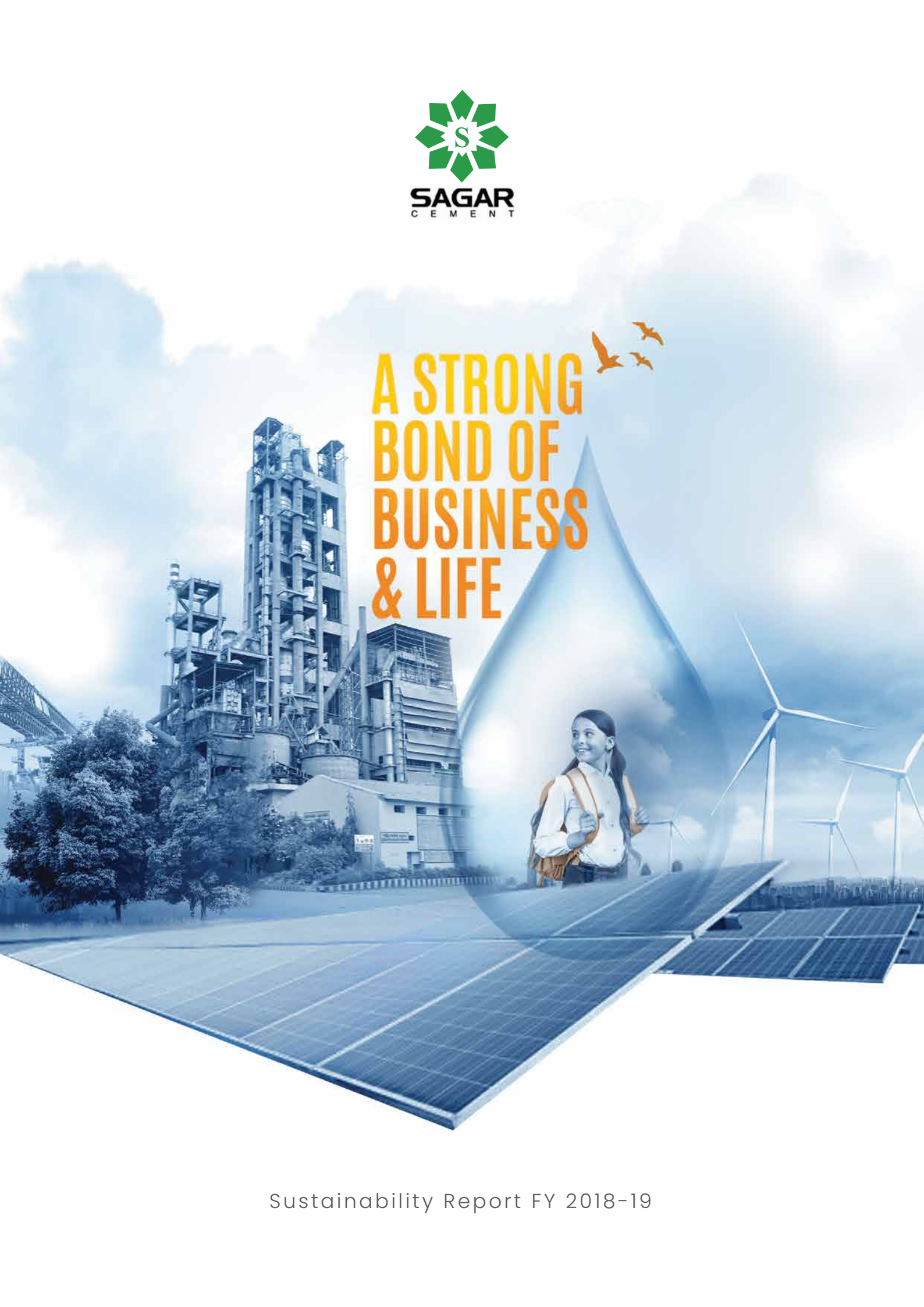
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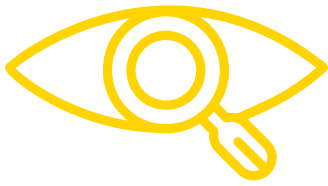
Factory : Mattampally (Village & Mandal) - 508204, Suryapet - District. Phone : 08683 - 247039

CIN : L26942TG1981PLC002887



A STRONG BOND OF BUSINESS & LIFE





Our Vision

To provide foundations for society's future



Our Mission

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

Report at a Glance

This is the company's First Sustainability Report; it marks the beginning of a formal process to communicate the Sustainability performance of Sagar Cements Ltd. to its stakeholders. This report has been prepared in accordance with the GRI Standards: Core option.

The information pertains to the period 1st April 2018 to 31st March 2019. The data in the report is limited to the company's manufacturing plant at Mattampally Suryapet District, Telangana.

Although Sagar Cements has internal mechanisms to ensure the reliability of the data, the report has been assured by Libero Assurance (Libero') thereby enhancing the credibility of the disclosures in the report. Libero Assurance (Libero') is an independent third party that has no financial interest in the operations of Sagar Cements Ltd. other than for the assessment and assurance of this report. The assurance statement thus issued has been included in the report. The company's Top Management has been proactively involved in the assurance process.

Being the first Sustainability Report, no restatements have been made.

Continuing with its commitment to sustainable development, Sagar Cements will henceforth produce the sustainability report, periodically aligning with its reporting cycle to the extent possible. For your suggestions and feedback, kindly write to us at info@sagarcements.in

The development of Sustainability Report for FY 2018-19, is supported by International Finance Corporation (IFC) - a sister organization of the World Bank and member of the World Bank Group, under an advisory program focused on institutionalizing resource efficiency and sustainability. Providing advice is a critical part of IFC's strategy to create markets and mobilize private investments. IFC's work for this program is supported by donor partners - Canada IFC Partnership Fund, Government of Canada and The Sustainable Development Investment Partnership (SDIP) under Department of Foreign Affairs and Trade (DFAT), Government of Australia. IFC and Sagar Cements Ltd thankfully acknowledge the contributions provided.

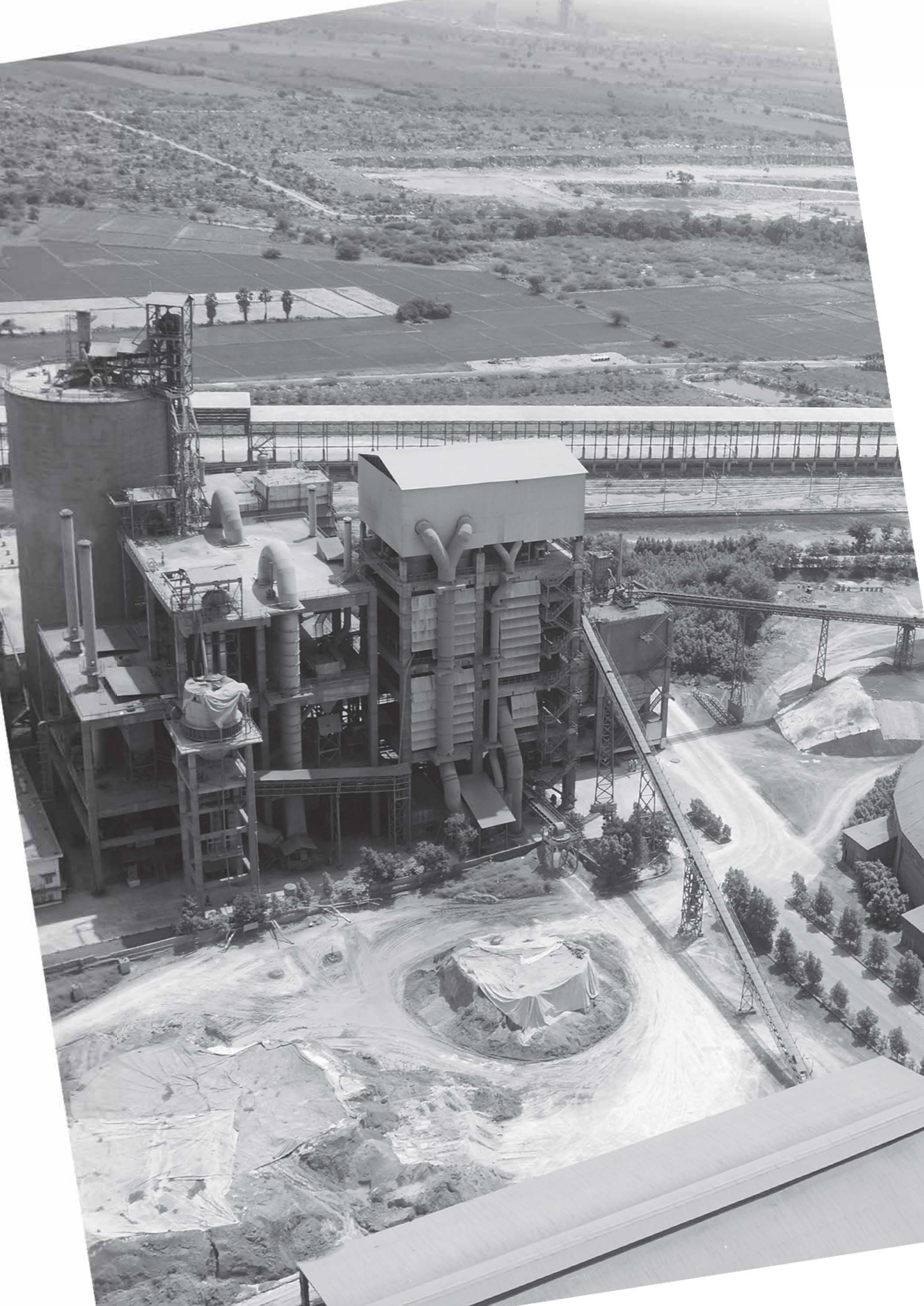




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ESG Highlights

18,14,615 MT

Cement

Rs. 121.59 Lakh

Spent on
CSR Activities

17,46,589 MT

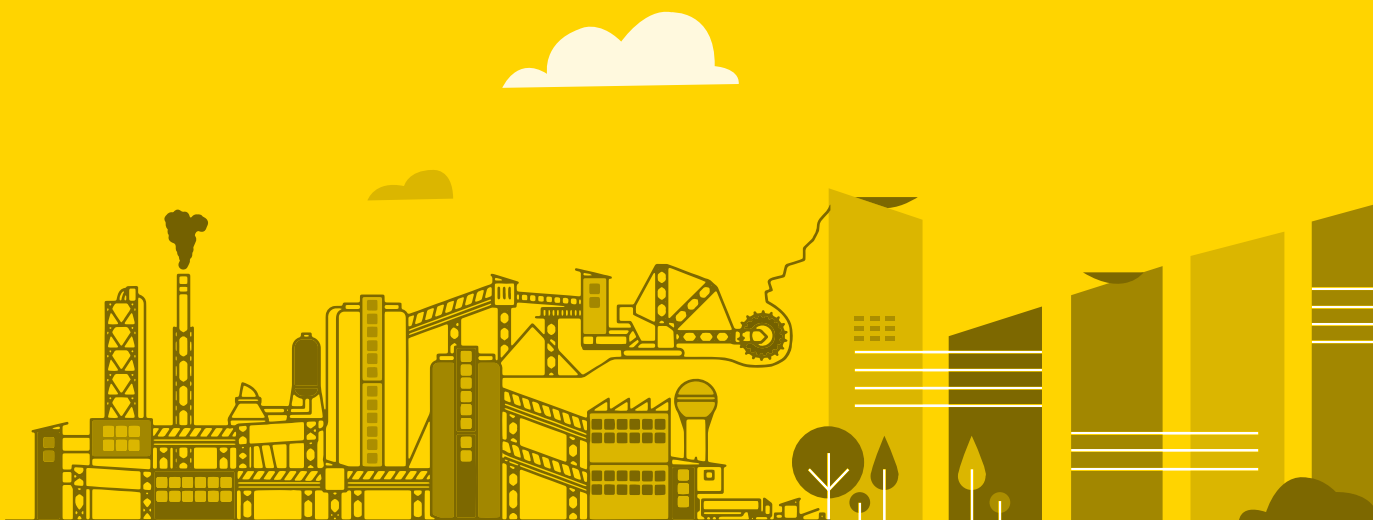
Clinker Produced

29.03% of the Total
Energy Requirement is
Met from Green Energy

100% Industrial
Water Requirement
Met by Rainwater

0% Hazardous
Waste to Landfill

7.80% Reduction
in Specific Power
Consumption as
Compared to the
Base Year 2015-16



Emission Intensity
tCO₂e/T of Cement eq.

Scope 1: 0.669

Scope 2: 0.043

Scope 3: 0.025

4.10% Reduction in
Direct GHG Intensity
(Scope 1/ton of Cement)
viz. FY 16

39.74%
Reduced Freshwater
Consumption viz. FY 16

Conducted LCA for
OPC & PPC

35% of Fly ash
which is Maximum as per
BIS Specification is used
as an Alternative
to Clinker

Green & Renewable Energy
Generated & Consumed:
Waste Heat Recovery: **26.52%**
Solar Power: **0.81%**
Mini Hydro Power: **1.70%**



CSI Performance

15,42,369
tCO₂e
Gross GHG
Emission

14,62,286
tCO₂e
Net GHG
Emission

0.764 gross
tCO₂e/ton
of Cementitious
Material

0.724 Net tCO₂e/ton
of Cementitious
Material

3,157 kjoule /Kg
754.54 kcal /Kg
of Clinker Specific
Heat Consumption

1.59%
Alternative
Fuel Rate

3.65%

Alternative Raw
Materials at
Raw Meal Stage

11.10%

Alternative to
Clinker at the
Cement Stage

85%

Clinker to
Cement

Zero

Fatalities (directly
employed)

Zero

Fatalities (indirectly
employed)

1.81

LTIFR

3

Lost Time Injuries

Message from Chairman



“ We started our journey with the production of cement in the year 1985 with a mission to create value for all our stakeholders. Since then we have followed a path of growth which is inclusive. In all these years, sustainability and social responsibility have always been an integral element of Sagar Cement’s corporate strategy. ”

Dear Stakeholders,

It is with great pride that I bring to you Sagar Cement Limited's first Sustainability Report for FY 2018-19. This report, developed as a proactive disclosure of our triple bottom line initiatives, is the first such report being presented by the company.

We started our journey with the production of cement in the year 1985 with a mission to create value for all our stakeholders. Since then we have followed a path of growth which is inclusive. In all these years, sustainability and social responsibility have always been an integral element of Sagar Cement's corporate strategy.

At Sagar Cements today, the agenda is to achieve Environmental, Social and Economic sustainability. Various initiatives are being deployed to enhance operational performance, create value for stakeholders, improve quality systems, Customer satisfaction, to develop and retain talent. We deploy state of the art technologies to provide our customers with a high-quality product and at the same time managing our environmental and social footprint. Our growth parameters are not limited to profits but include the growth of our employees & society at large.

In the financial year 2018-19, we introduced new initiatives. We opened ourselves for evaluation under the Green Company Rating system' (GreenCo rating) which evaluates green features of companies against certain performance parameters such as energy efficiency, water

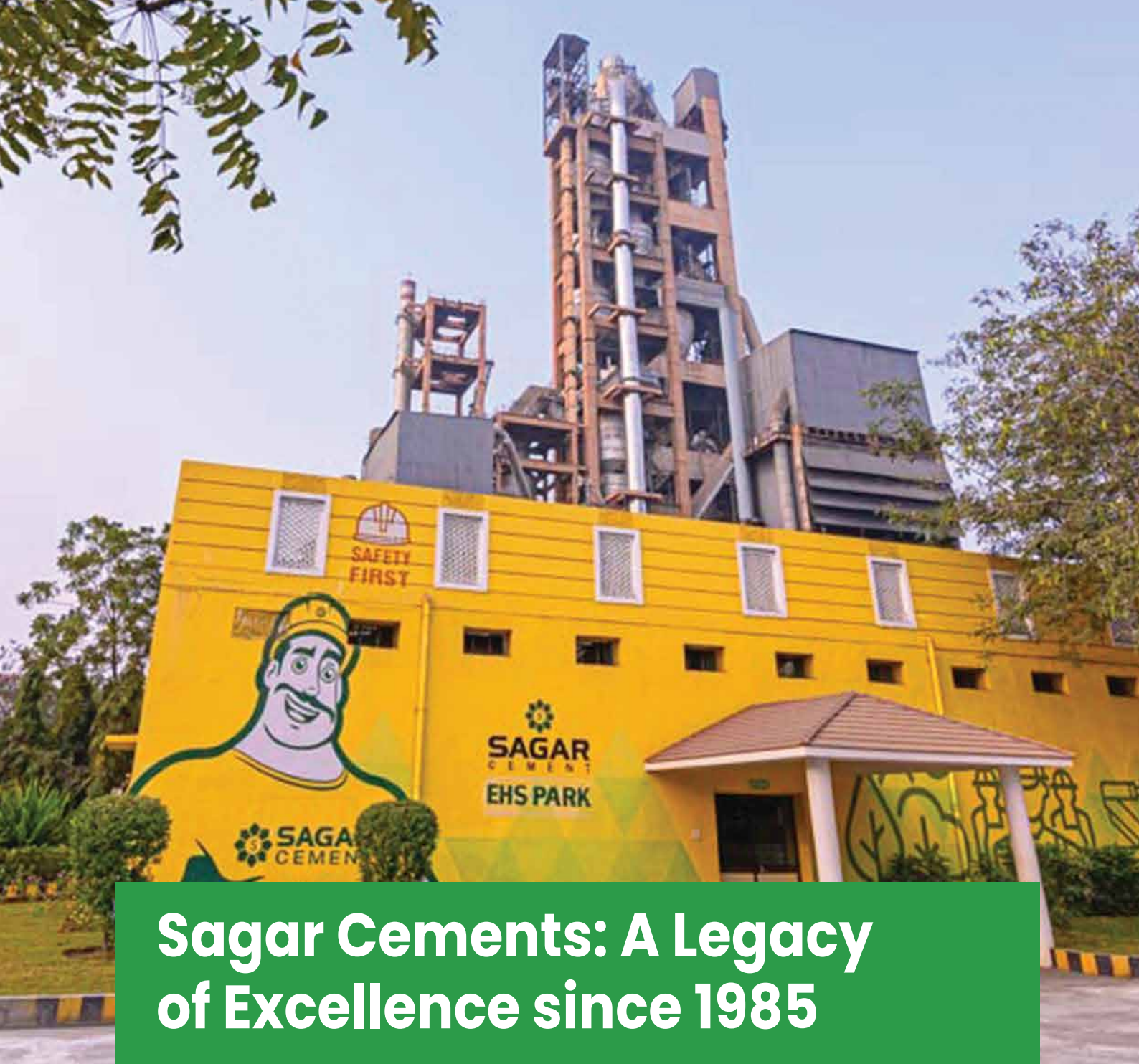
conservation, renewable energy, GHG mitigation, water management, etc. Further to this, we also conducted in-depth resource efficiency studies: Thermal and Electrical in our cement manufacturing facility located in Mattampally, Telangana. As a result, we explored various resource efficiency opportunities and GHG emission reduction potential. We are confident that we will reduce our carbon footprint and increase our efficiency in the near future. We have also drafted our Sustainability Policy, which will act as a guiding tool for our future endeavors towards Sustainable development.

We are committed to building a responsible and sustainable business. Under our Community development programme, we work in the area of Capacity Building, Education, promotion of Sports and rural development. We will continue our efforts in building self-reliant communities in the years to come. For us, CSR is a tool for value creation rather than an act of philanthropy.

We will continue to monitor, manage and communicate our Sustainability performance to our stakeholders.

I thank our stakeholders for supporting us in our journey towards sustainability. We seek your continued support to enable us to achieve our goals and look forward to your feedback to improve our performance.

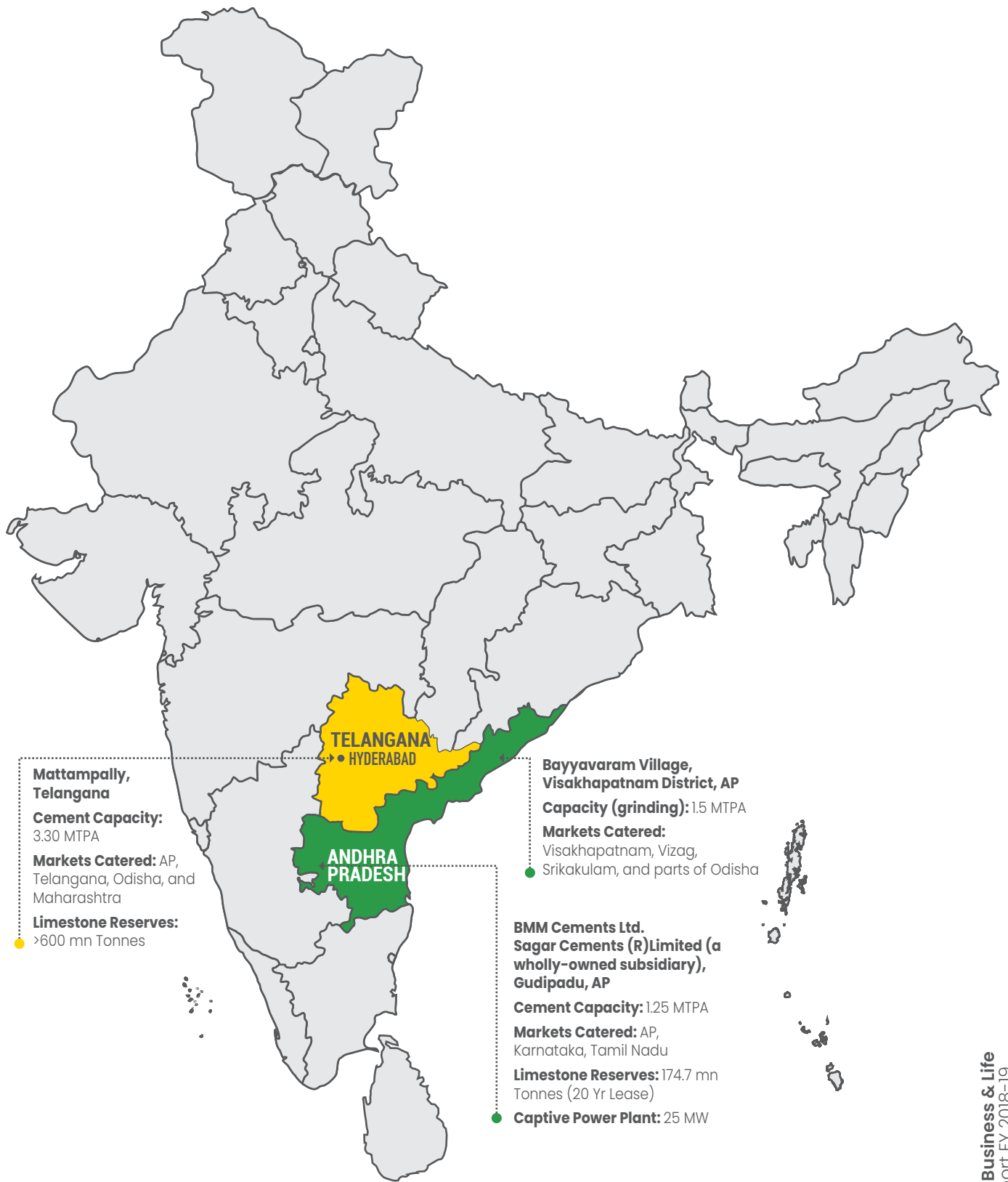
O.Swaminatha Reddy
Chairman



Sagar Cements: A Legacy of Excellence since 1985

Sagar Cements Ltd. (SCL) is a company engaged in the manufacturing of Cement. Since its inception in 1985 has grown multi-folds both in terms of scale and scope. It commenced its operations with a cement capacity of 66000 TPA and has gradually increased to 3.30 MTPA, while its Clinker capacity has also witnessed a significant increase from 66000 TPA in 1985 to the

present level of 2.65 MTPA. Within a time span of 37 years it has carved a niche place for itself in the cement sector across the state of Telangana, Andhra Pradesh and its neighboring states in India. It is a public company incorporated on 15 January 1981 and is classified as Non-govt company registered at Registrar of Companies, Hyderabad.



Mattampally, Telangana
Cement Capacity: 3.30 MTPA
Markets Catered: AP, Telangana, Odisha, and Maharashtra
Limestone Reserves: >600 mn Tonnes

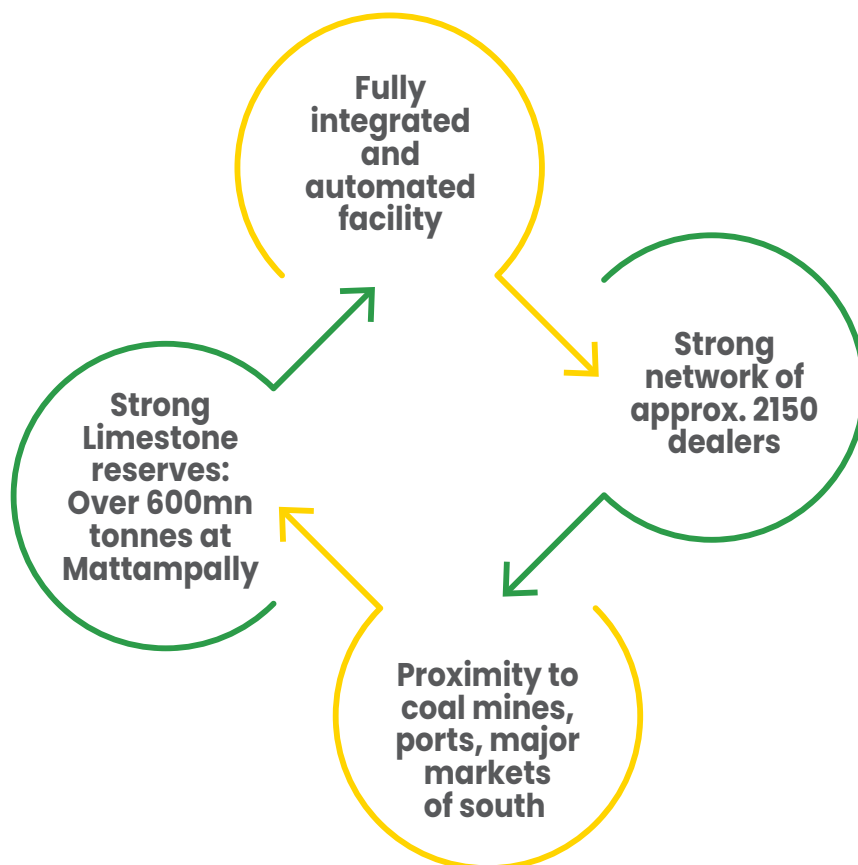
Bayavaram Village, Visakhapatnam District, AP
Capacity (grinding): 1.5 MTPA
Markets Catered: Visakhapatnam, Vizag, Srikakulam, and parts of Odisha

BMM Cements Ltd. Sagar Cements (R)Limited (a wholly-owned subsidiary), Gudipadu, AP
Cement Capacity: 1.25 MTPA
Markets Catered: AP, Karnataka, Tamil Nadu
Limestone Reserves: 174.7 mn Tonnes (20 Yr Lease)
Captive Power Plant: 25 MW

The company which started with its flagship manufacturing plant at Mattampally in Telangana, has broadened its horizons and has Reacquired the grinding unit at Bayyavaram Village, Andhra Pradesh. The company doesn't have any Joint Ventures and Associate Companies. It has two wholly-owned subsidiaries BMM Cements Ltd. (re-named as Sagar Cements (R) Limited.) with its cement plant in Gudipadu Village in Ananthapur District, Andhra Pradesh and Jajpur Cements Private Limited which is in the process of setting up a Cement Grinding Plant of 1.5 MTPA capacity at Jajpur, Odisha.

Sagar Cements recently acquired 65% equity stake in Satguru Cement Private Limited (SCPL) and is putting up a new line of 7.33 Lakh TPA Clinker and 1 Million TPA Cement production capacity respectively. The plant is located at Gursal village in Dhar district, Madhya Pradesh. The company has 2 Hydel power units i.e. Guntur Branch Canal Hydel Project, Guntur District, Andhra Pradesh, and Lock-in-Sula- Hydel Project, Kurnool District, A.P.

The company employs state of the art technology. Its plant at Mattampally is based on Dry Process Rotary Kiln Technology.





Product Portfolio

53 Grade OPC

It is a higher strength cement to meet the needs of the consumer for higher strength concrete.

43 Grade OPC

It is the most popular general-purpose cement.

33 Grade OPC

This cement is used for general civil construction work under normal environmental conditions.

Portland Pozzolana Cement (PPC)

Blended Cement is produced by either inter-grinding of OPC clinker along with gypsum and pozzolanic materials in certain proportions or grinding the OPC clinker, gypsum, and Pozzolanic materials separately and thoroughly blending them in certain proportions.

Sulphate Resisting Portland cement (SRC)

Sulphate Resisting Portland Cement is a type of Portland cement in which the amount of Tricalcium aluminate (C3A) is restricted to lower than 5 % and $(2 C3A + C4AF)$ is lower than 25%.

SCL manufactures various varieties of Cement including Ordinary Portland Cement (OPC) of 53 Grade, 43 Grade, 33 Grade, Portland Pozzalona Cement (PPC) and Sulphate Resistant Cement (SRC). The products are being sold under the Brand name "Sagar".

The company caters to the Indian Market with a specific focus on states of Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, and Maharashtra. With the expansion of the grinding unit at Bayyavaram, SCL have increased its presence in South Odisha Markets too. The company, with its state-of-the-art technology, maintains a high standard of quality of its products. As a result, it has been able to create a loyal customer base spread across diverse segments and geographical areas.

To serve the end customer, The Company has a well-established marketing network comprising of various layers like Distributors, Dealers, C&F Agents, all of whom are served by dedicated marketing personnel. Further to this, SCL engages with its customers at regular intervals to take their feedback and thereby incorporating that in its operations.

Sagar Cements Ltd. is looking to expand its business in the interior areas of its neighboring states through strategic alliances.

The company envisages a growth that is not limited to providing high-quality cement to its customers but creating value for its stakeholders in the long run.

Our Journey

- Plant Commissioned with 200 TPD Kiln with 4 stage pre heater

1985

- Added additional cement mill & tertiary crusher

1996

- Expansion by installing a separate line Calciner with 5 stage pre heater & adding a jaw crusher
- Additional Raw mill, ESP for Kiln and cooler modification

1993

1998

- Installation of KIDS cooler, VFDs for Raw Mills and Coal Mills

2002

- Installation of 6 stage inline Calciner with pre heater, cooler modification & RTKM separator for Coal Mill



Brownfield capacity expansion by adding additional 6 stage inline Calciner pre heater, Kiln and Pendulum cooler & 2.65 MTPA cement grinding capacity adjacent to the existing Kiln

Commissioned VRPM taking the capacity to 3.30 MTPA. Also commissioned a railway siding

Enhanced grinding capacity to 1.5 Mn Tonnes at Bayyavaram & enhanced WHRS to 8.8 MW

2014

2016

2019

2008

2015

2017

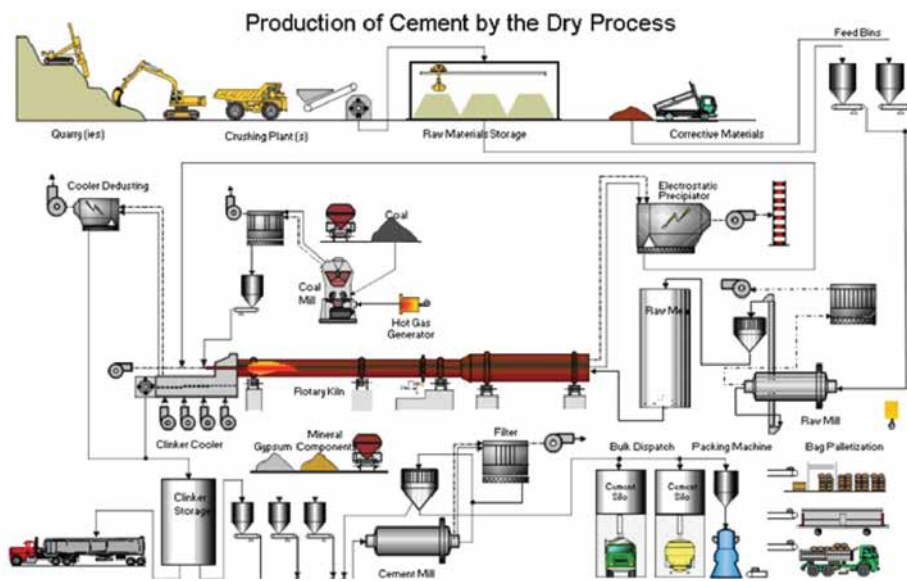
- Formed a JV with Vicat to set up a 5.5 MTPA cement plant in Karnataka

- Exited from Vicat JV for a consideration of INR 425 Cr. Acquired BMM Cements, now SC(R) with a capacity of 1 MTPA with 25 mw CPP

Commissioned 6.5/7.0 MW WHRS & 1.25 MW Solar Power



Cement Manufacturing Process



Cement manufacturing is an energy-intensive process. A mixture of Limestone and Clay is ground and burnt at a very high temperature to form Clinker. The Clinker is ground to a fine powder with the addition of Gypsum (up to 5 %) to form Cement. The essential components of Cement are Lime, Silica, Alumina and Iron Oxide. There are different types of Cement, which differ based on their chemical composition. However, the manufacturing process remains the same.

Limestone is the primary component of cement which is extracted from the quarry. There are other raw materials such as coal, fly ash, petcoke, laterite,

etc. used in cement manufacturing which are bought directly from other sources because of small quantity requirements. Limestone is crushed and reduced to a fine powder and it is blended with other raw materials in correct proportion. The mixture known as kiln feed is heated in a rotary kiln where it reaches a temperature of about 1400 C to 1500 C. The material formed in the kiln is known as 'clinker'. The cement mill grinds the clinker to a fine powder. A small amount of gypsum - a form of calcium sulphate - is normally ground up with the clinker. The gypsum controls the setting properties of the cement when water is added.



Corporate Governance

Sagar Cements is spearheaded by a team of well qualified, diligent and committed leadership. It maintains high standards of corporate governance and has systems and procedures in place to promote transparency and accountability across the organization. The Board of directors includes Chairman, Managing Director, Joint Managing Director, Independent Directors and a Nominee Director.

During the reporting period, the board met seven times and the gap between two consecutive meetings did not exceed one hundred and twenty days.

The company complies with the requirements applicable under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) concerning corporate governance.

To deal with complex issues with a focused approach, the board constituted various committees with each having its specific function. These committees include the Audit Committee, Nomination, and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The CSR committee is responsible for decision making on social and environmental topics.



Board of Directors

Shri O.Swaminatha Reddy	Independent and Non-Executive, Chairman
Dr.S.Anand Reddy	Managing Director, Promoter
Shri S.Sreekanth Reddy	Joint Managing Director, Promoter
Mrs. S.Rachana	Non-Executive Director, Promoter
Shri K.Thanu Pillai	Independent Director
Shri V.H. Ramakrishnan	Independent Director
Shri T. Nagesh Reddy	APIDC Nominee
Shri John-Eric Fernand Pascal Cesar Bertrand	Non-Executive
Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Fernand Pascal Cesar Bertrand (From 20.11.2018)

Table 1: Board of Directors as on March 31st, 2018



Risk Management

Sagar Cements have been proactive in identifying various risks associated with its business, both internal and external. As a precautionary measure, a risk management system has been put in place where in Order to minimize risks 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.

Various risks including the risk of dependency on a particular market/region for sales, financial risks, etc. are effectively managed. Internal controls such as the audit committee have also been put in place.

It is further ensured that business is conducted in full compliance with all national and international laws and regulations that pertain to cement sector, as well as professional standards, accepted business practices, and internal standards. The compliance officer is charged not just with keeping the business dealings ethically sound and legally pristine, but with educating

the entire company and instituting practices that will ensure the highest possible level of compliance.

SCL tracks all statutory and regulatory compliances applicable to each department in the organization . A responsibility to ensure that SCL is in compliance with a particular law or regulation lies with the compliance owner of that particular law or regulation. Compliance Module generates auto email alert and communicates the same to owner and approver in time. The Module data base is updated with respect to the recent amendments in compliance. In addition to the above as part of IMS, legal register is also maintained by the departments, where in statutory and regulatory requirements are covered. The top management of SCL reviews the comprehensive report on compliance management during monthly review meeting.

During the reporting period, there were no cases of non compliance related to the environment, social, labour, and corruption.



Ethics, Values and Integrity

Sagar Cements has imbibed a culture where decisions are governed by its values and beliefs. Driven by a strong value system at the core, each employee abides by the organizations' policies and procedures.

A well written Code of Conduct aims at maintaining uniformity, transparency and fairness in dealing with its stakeholders. In addition to the code of conduct, Sagar Cements has implemented various other policies including Whistle Blower policy, Corporate Social Responsibility Policy, Environment, Occupational Health & Safety policy, etc. as a measure to strengthen its governance system and to conduct its business with high ethical standards.

The company has implemented a Whistle Blower Policy giving employees a fair opportunity to raise a voice against any unethical and improper practices or any other wrongful conduct in the Company. The presence of a Corporate Social Responsibility Policy reflects SCL's commitment towards society. It acts as a guiding source to conduct community development initiatives responsibly.

Occupational Health & Safety Policy of the company demonstrates its commitment towards Health & Safety of its Employees. The company has also established an Environment Policy to work towards conserving natural resources and operate its business in an environment-friendly manner.



Stakeholder Engagement

Stakeholder Engagement is a critical factor in the success of any business. An effective engagement builds trust, transparency and a sense of ownership amongst the stakeholders. At Sagar Cements it is an integral part of our operations. We engage with our stakeholders periodically. Their concerns and expectations are given due consideration and are reflected in our business decisions. The engagement process helps us to continuously improve and follow our mission "to deliver value to our Stakeholders.

At Sagar Cements, Stakeholder engagement is a strategic process. We engage with various stakeholders on different forums including surveys, emails, one to one discussion, etc. To derive value from the process, the engagement mechanism differs for each stakeholder e.g. we conduct open dialogues with the community, etc.

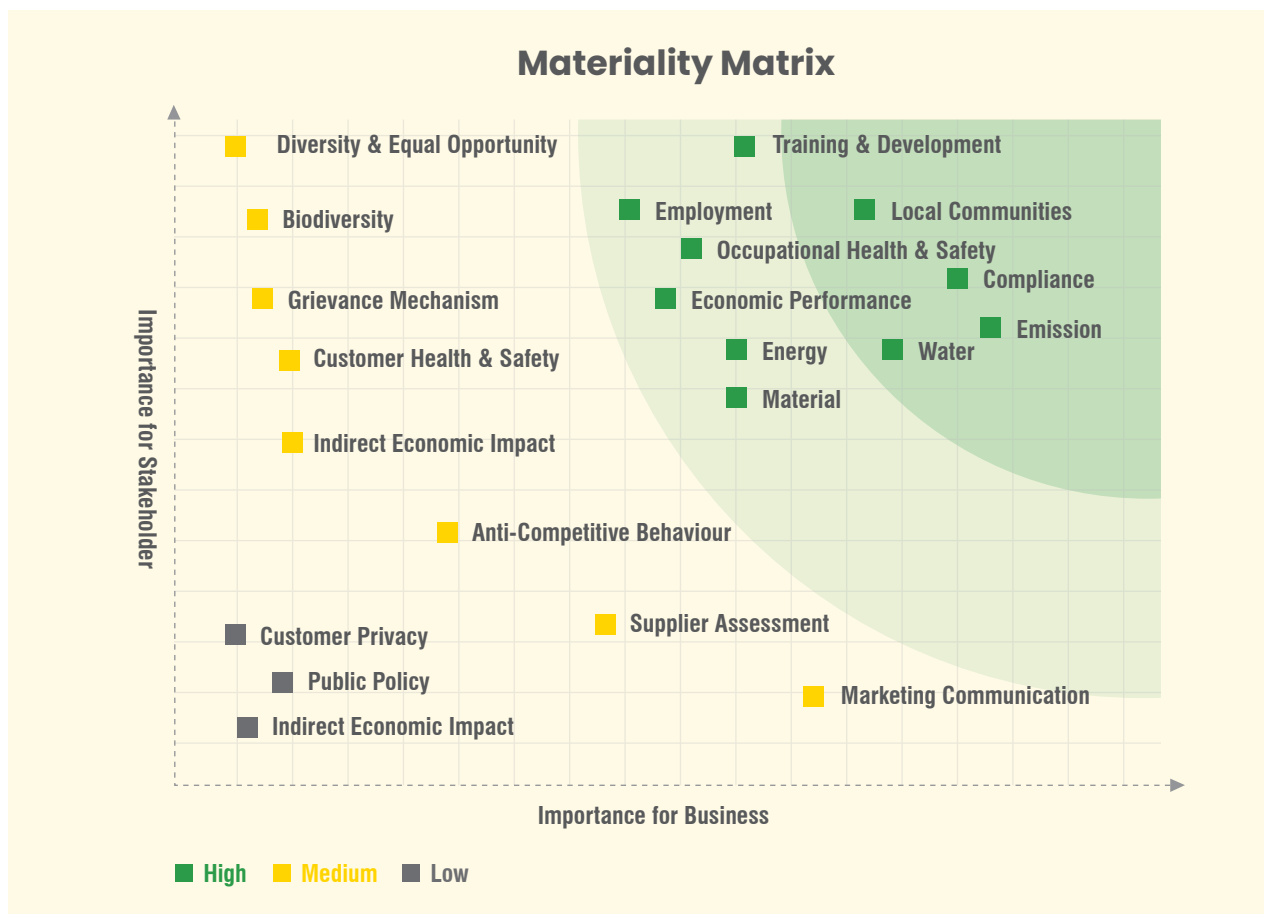
During the reporting period, we used existing engagement mechanisms to map the concerns raised by our stakeholders. The Process commenced by identifying a comprehensive list of stakeholders, which were then prioritized based on their interest and power to influence our business. The stakeholders engaged during the reporting period are given in the figure. We maintain a dynamic relationship with our stakeholders.



Stakeholder Group	Method of Engagement	Frequency of Engagement	Key Sustainability Concerns Identified	Reference Pg. No.
Employees	Appraisal	Annually	Training & Development, Occupational Health & Safety	46,50
Customers	Customer Feedback	Quarterly	Regular Feedback	15
Suppliers	Business Partners Meet	Annually	Health & Safety, Green Practices	46,54
Local Communities		As Required	Community Development, infrastructure Development	55

The issues prioritized by our stakeholders were presented before the management team which further discussed the other relevant topics reflecting the organization’s significant economic, environmental, and social impacts in addition to those topics which

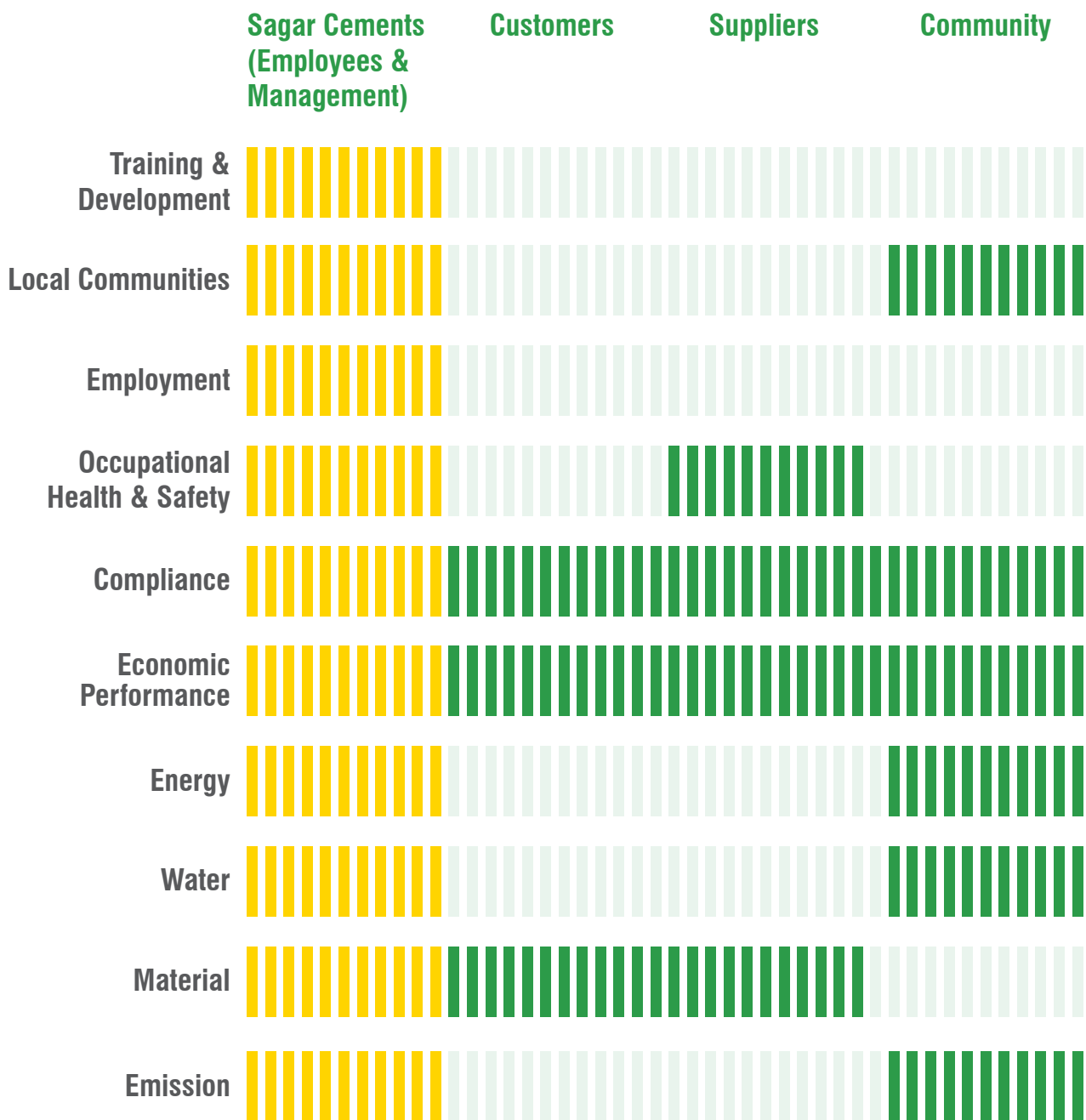
substantively influence the assessments and decisions of stakeholders. The outcome was a list of 11 significant Material Topics that are relevant for the organization. The topics in “high” Category are the most significant. These topics are covered in the report in terms of data and DMA in various chapters.



The material aspects and their impacts created across the value chain are illustrated below. The report doesn't contain any data on the material topics from the value chain entities but includes

the necessary management procedures wherever required to manage the same. The Topic boundaries are limited to the Sagar Cements plant at Mattampally.

Impact across Stakeholders





Stewardship in ESG

Sagar Cements measures its performance on Environment, Social & Governance criteria. It takes into account its impact on the environment and society while taking key decisions. In our endeavour to be a responsible corporate citizen, we have implemented various initiatives across our operations.

Improving energy efficiency is one of our key focus areas. We have implemented state-of-the-art technology to achieve optimum efficiency. Significant investments have been made to reduce dependence on non-renewable sources of energy.

To reduce our emissions, we have planted 4,23,739 trees in an area of about 210 hectares sequestering about 6,356 tons of CO₂ per year. The tree plantation and nursing them is a continuous activity and we intend to add about 20,000 tree plantations in an additional area of 15 hectares.

Water conservation is another area of strategic priority. We are proud to claim that we are a water positive organization.

We made conscious efforts and significant progress in the use of alternative raw materials, alternative fuels, and cementitious materials thereby preserving natural minerals. Our marketing efforts are also targeted towards promoting green products.

We have extended our effort in our supply chain and are encouraging our suppliers to adopt green practices in their businesses.

To develop a sustainable and environmental-friendly culture throughout the company, we have implemented the GREENCO certification process across all the manufacturing units.

At Sagar Cements employees are encouraged to develop new skills through various internal and external training programmes. We are making conscious efforts to improve gender parity.

Sagar Cements strongly believes that adherence to good corporate practice leads to transparency in its operations and facilitates building a strong relationship with all its stakeholders.

The company from its very inception is voluntarily committed to practicing good corporate governance enabling us to earn trust and goodwill of our investors, business partners, employees and the community at large.

As a responsible organization, we adhere to all applicable compliances and regulations. For Sagar Cements it is mandatory and non-negotiable. Senior management regularly reviews and monitors the status of compliance.

The details of our performance on ESG parameters are available in subsequent chapters of this report.



Economic Performance

The financial year 2018-19 (stand-alone including Bayyavaram unit) has been successful in terms of production, sale, revenue and average net sales realization per ton of cement. Total cement production was 24,20,567 MT. We have achieved an increase of 24.70% and 24.16% in the cement production and sales respectively in terms of volume over the previous year. However, the EBDITA dropped to 12% from 18% in the previous year. The reason being an increase in input costs and a marginal fall in the average sales realization per ton of cement.

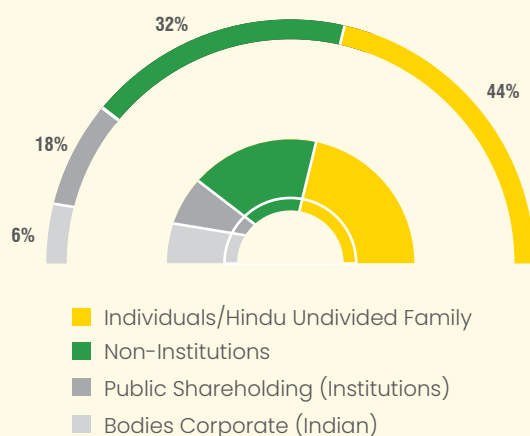
The current markets do not offer much scope to increase our sales volume to any

significant extent, at least in the near future. Further, these markets are witnessing heavy competition resulting in wide fluctuations in the price thereby impacting the margins. To mitigate this risk associated with the dependency on existing markets where the demand-supply gap is increasing, we are looking for opportunities to expand our reach to central and eastern parts of the country as demand for cement is expected to grow relatively at a faster rate in those areas. Our expansion model will include setting up of integrated cement plants/grinding stations.

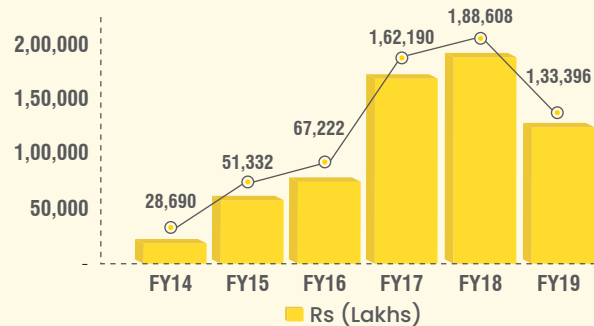
Direct Economic Value Generated & Distributed	(INR crore)	
Particulars	FY 2017-18	FY 2018-19
A. Direct Economic Value Generated		
Revenues from Operations	776.01	902.01
Revenues from Other Sources	18.60	15.06
Total	794.61	917.07
B. Economic Value Distributed		
Operating Expenses (Excluding Employee Wages and Benefits)	643.85	794.78
Employee wages and benefits	44.94	52.00
Payment to providers of Capital	39.56	36.91
Payment to government:	16.41	8.74
Total	744.76	892.43
Economic Value Retained (A-B)	49.85	24.64
Particulars		
Profit before tax	76.09	37.07
Profit after tax	49.39	26.62

Share Holding Pattern

Shareholding pattern as on 31st March 2019



Market Capitalization



Cement sales: 2489033 MT
 Total Revenue: 917.07 INR Crore
 Debt & Equity Ratio: .20



Figure 1: Plantation and Lawn near Coal Crusher Ramp



Environmental Performance

The cement industry is one of the oldest sectors in India playing a significant role in the economic development of the country. The sector has seen phenomenal growth in the last few years. In fact, a large part of this push comes because of favorable government policies and the State's active role in enabling infrastructure growth, thus driving up the demand for cement. This growth story is likely to continue into the coming years. At the

same time, the growth must be sustainable as cement manufacturing is associated with environmental impacts including emissions, extraction of raw material, energy, etc.

Sagar Cements, as a proactive organization has taken various measures to limit its impacts on the environment. The plant at Mattampally has a sound environmental management system. It is certified for ISO 14001 : 2015.



Raw Material

Cement manufacturing requires non-renewable raw materials with the limestone being the primary raw material in addition to other materials such as clay, iron ore, etc. We have a captive limestone mine near our plant at Mattampally. The other raw materials including iron ore, bauxite, laterite, and gypsum are sourced

externally. State-of-the-art mining equipment has been deployed at all our mines for mineral extraction and development which is executed strictly following mining plans and schemes approved by statutory authorities. The raw material consumed at Mattampally plant during FY 2018-19 is as follows:

Particulars in MT	2016-17	2017-18	2018-19	Type of Material (Renewable/ Non Renewable)
Limestone	18,05,500	23,66,302	25,12,146	Non Renewable
Al. Laterite	54,041	1,07,303	81,722	Non Renewable
Dolomite	0	3,293	0	Non Renewable
Laterite (Iron)	0	0	6,443	Non Renewable
Iron Ore	33,819	26,947	37,111	Non Renewable
Iron Sludge	0	778	4,751	by-product of pharmaceuticals
Pond Fly ash	0	1,302	0	by-product of power plant
Fossil fuel	1,73,208	2,01,308	2,05,390	Non Renewable
ATF	1,219	426	3,320	by-product of pharmaceuticals
Fly ash	1,60,047	1,75,497	1,89,690	by-product of power plant
Phospho gypsum	39,521	36,654	60,500	by-product of Fertilizer plant
Natural gypsum	17,708	18,500	10,687	Non Renewable
Grease	8	9	9	Non Renewable
Lubricant oils	47	59	65	Non Renewable
Grinding Media	53	57	25	Non Renewable
Refractory	1,034	1,012	680	Non Renewable
Bags	1,982	2,160	2,229	Non Renewable
Total	22,88,187	29,41,606	31,14,768	

As a part of our conservation initiatives, we are using CBX, Ramco mine management software to blend the various types of low-grade limestone with high-grade in required proportions to conserve the mineral.

To reduce/eliminate mining rejects, SCL increases its Low grade limestone consumption significantly with each passing year by utilizing the high-grade coal/pet coke as a fuel for clinker manufacturing.



Energy

Cement industry being an energy-intensive industry, is heavily dependent on two sources of energy i.e. Thermal and electricity for its processes. Thermal energy is used in the kiln, captive power plant, etc., whereas electricity is primarily used for crushers, grinding mills and for transporting materials. The potential for energy savings in the cement industry is considerable.

Sagar Cements is using state-of-the-art technologies to improve the energy efficiency of its processes. SCL is implementing ISO 50001 system and is in the process of obtaining Certification.

The plant at Mattampally is based on Dry Process Rotary Kiln Technology. The Mattampally plant uses 100% petcoke.

We have installed 1.25 MW Solar, 6.5/7.0 MW Waste Heat Recovery System (WHRS) and 18.0 MW Thermal. WHRS helps serves a dual purpose—it is not only the cheapest source of power generation, but it also helps in reducing the carbon footprint. In addition we have included renewable energy in our energy mix including solar, hydel and wind energy. The implementation of an energy management policy has facilitated in improving energy efficiency.



S. No.	Type of Energy	Installed Capacity	Location
Sagar Cement			
1.	Solar	1.25 MW	Mattampally, Telangana
2.	Solar	80 KW	Corporate office, Hyderabad, Telangana
3.	Hydel	4.3 MW	Guntur, Andhra Pradesh
4.	Hydel	4.0 MW	Kurnool, Andhra Pradesh
5.	Waste Heat Recovery System	6.5/7.0 MW	Mattampally, Telangana
6.	Thermal	18 MW	Mattampally, Telangana (under implementation and expected to be commissioned by June 2019)
Sagar Group Companies			
7.	Wind	4.65 MW	Theni, Tamil Nadu
8.	Wind	0.85 MW	Satara, Maharashtra
9.	Thermal	25 MW	Gudipadu, Andhra Pradesh

Table 2: Installed Energy Capacity

We have also proposed an 11 MW solar power plant at our Plant in Mattampally.



During the reporting period, our total energy consumption was 60,70,611.91 GJ. 3% of our requirement was met by

renewable energy. Over the years the percentage substitution of renewable/green energy in the total energy mix has increased.

S. No.	Electrical Energy	2016-17		2017-18		2018-19	
		GJ	Million KCal	GJ	Million KCal	GJ	Million KCal
1.	From Grid	94,975.10	22,689.83	1,75,188.57	41,853.07	1,48,157.50	35,395.26
2.	Captive thermal Power Plant at Gudipadu, AP	3,32,508.87	79,437.35	2,57,922.05	61,618.34	2,48,183.85	59,291.86
3.	Hydel	3,772.35	901.23	5,881.33	1,405.07	9,476.63	2,263.99
4.	Solar	0.00	0.00	3,529.83	843.29	4,504.79	1,076.21
5.	WHRS	0.00	0.00	96,825.81	23,131.97	1,48,083.07	35,377.48
6.	DG power	4.36	1.04	19.65	4.69	10.35	2.47
Total Electrical Energy (GJ)		4,31,260.67	1,03,029.45	5,39,367.24	1,28,856.43	5,58,416.19	1,33,407.28
7.	Thermal Energy through fossil fuels(GJ)	4,139,045.697	9,88,830.26	5,304,782.526	1,267,328.23	5,304,782.526	1,267,328.23
8.	Thermal Energy through Alternate fuels(GJ)	22,330.18	5,334.75	4,546.82	1,086.25	4,546.82	1,086.25
Total Thermal Energy consumed		4,161,375.87	9,94,165.00	5,309,329.35	1,268,414.48	5,309,329.35	1,268,414.48
Total Energy consumed (GJ)		4,592,636.54	1,097,194.45	5,848,696.59	1,397,270.91	5,867,745.54	1,401,821.76

kWh = 0.0036 GJ

Table 3: Total Energy Consumption

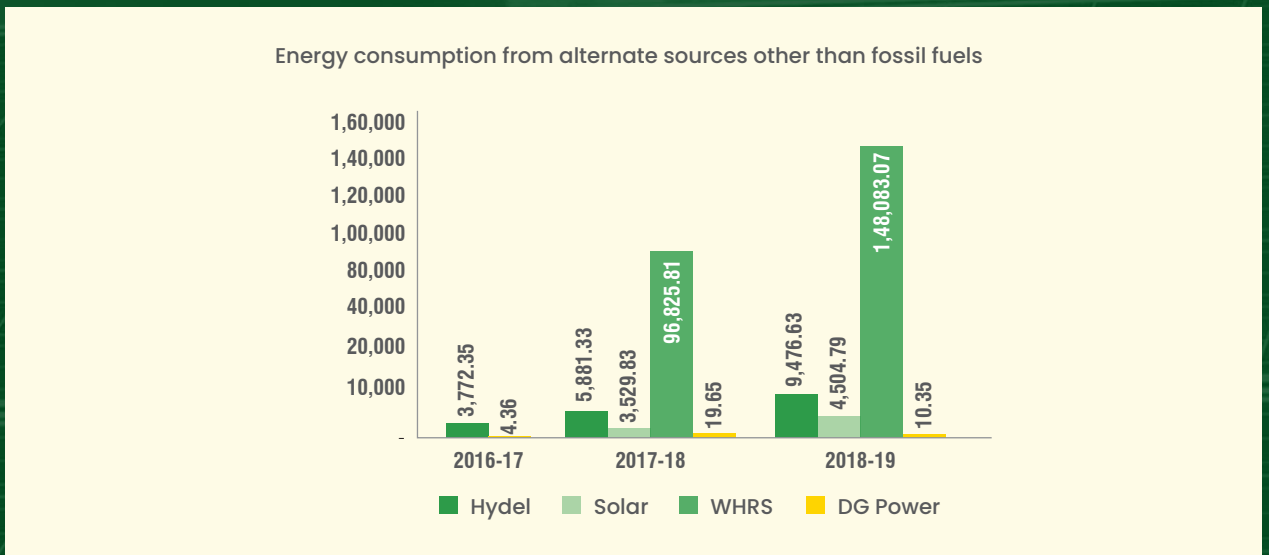
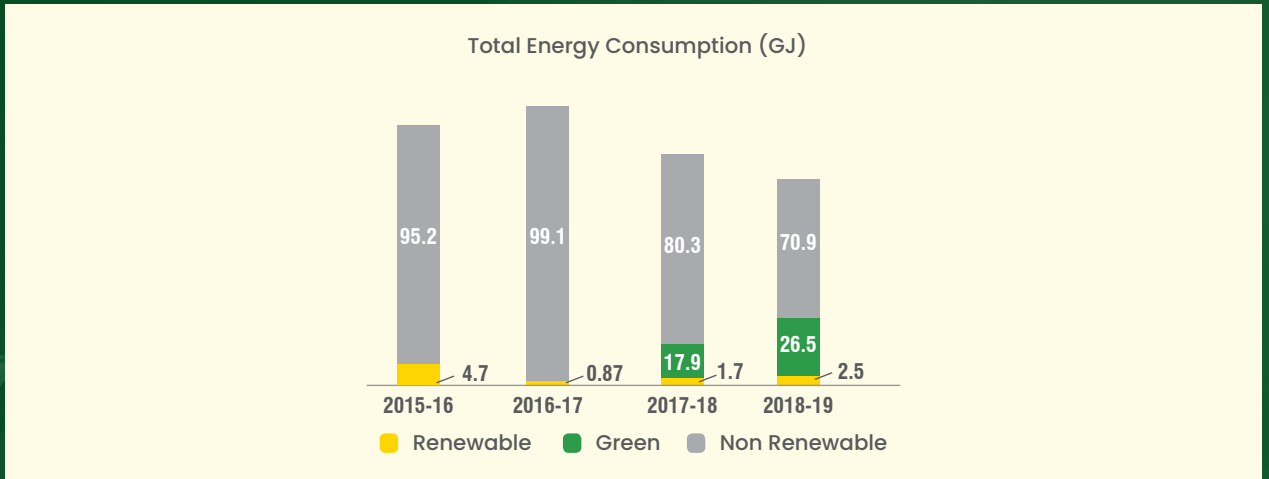


Table 4: Renewable Energy Consumption in GJ

Further to this Sagar Cements has utilized waste materials from other industries as an alternate fuel to coal/pet-coke burned

in the kilns of its cement plant. Use of alternate fuel is one of key levers in sustainable efforts in cement sector

Some of our energy conservation and efficiency measures include:

- **Limestone Crusher located in Mines**

One of the very first companies to adapt to this method. By locating the Limestone Crusher near mine, the raw materials haulage distance became very minimal thereby saving the transport vehicle fuels, minimizing the dust generation by moving vehicles.

- **Limestone Crusher located in Pit**

The Limestone crusher is placed below the ground inside the pit. This arrangement is avoiding the construction of the ramp, vehicles climbing steep ramp thereby saving fuel and minimizing the wear & tear of the vehicles.

- **Secondary Crusher for Limestone**

Crushing operation is much more energy-efficient compared to grinding. The secondary crusher is installed to reduce the size of the limestone reaching grinding mill. This helped in the reduction of specific energy while increasing the output from the mill. This way bi-dimensional benefit is achieved.

- **ON-LINE Prompt gamma neutron activation analysis (PGNAA) Analyzer**

This instrument is the Bulk Material analyzer and is installed on the Limestone transport conveyor belt. It gives the complete elemental analysis of the Limestone moving on the conveyor. In combination with the PILE EXPERT software, it ensures that the pile is prepared just meeting the quality requirement of the desired product thereby helping proper blending of all grades of mineral and mineral conservation. With the help of this system and managing the fuel, all grades of minerals including overburden are used in the process and rejection of mineral is totally avoided.

- **Stage Pre-Heater**

SCL modified the Pre-heater system from 4 stage to 5 stage and again to 6 stage low-pressure drop high efficient cyclone system to reduce both electrical energy thermal energy consumption.

- **Static Cooler**

One of the very first companies to install static grades in the clinker cooler plant. This helps in increasing the cooler recuperation efficiency and thereby reducing the specific fuel consumption.

- **CFD Analysis**

Advancement of software utilization in process simulation provided an attractive opportunity to study the dynamic behavior of various process equipment like Cyclones, separators, ducts, etc. One of the very first companies to make use of this technology. A significant reduction in specific electric energy is realized by making use of this software tool.

- **Automated Laboratory**

One of the very first companies in India to possess an ON-LINE ROBOT operated laboratory system. The whole process of product quality check, starting from collection of a representative sample, sample transport to laboratory, sample preparation, feeding to analytical equipment, receipt of results, analysis & treatment of results and consequent control of plant machinery in all sections of the manufacturing cycle is totally automated without any human intervention. This helps in very consistent quality benefiting the end-user with very minimum use of all resources like minerals, fuel, electricity and human resource.

Various other equipment's such as VRPM for Clinker grinding, VFD for all process fans, etc. have been installed leading towards reduction in specific energy consumption.



Emission

In cement manufacturing, air emissions are generated by the usage and storage of intermediate and finishing materials, and by the process of kiln systems, clinker coolers, and mills. These emissions are immense because of the chemical process required in the manufacturing process. About two-thirds of the polluting gases that come from cement production stem from burning limestone. It is a significant source of greenhouse gas emissions resulting in various environmental and health hazards. Emissions include nitrogen oxides, sulphur dioxides, particulate matter, greenhouse gases, and other air pollutants.

Sagar Cements is committed to reducing the environmental impact of its operations including a reduction in GHG emissions. Various measures have been implemented including usage of alternate fuels, installation of energy-efficient equipment, Green belt development, etc. In addition we also conduct awareness programmes for employees.

Maintaining a GHG inventory facilitates us in identifying areas of improvement. We measure and monitor Scope 1, scope 2 and scope 3 emissions. Where scope 3 emissions include cement transportation (road, rail, tanker), raw material receipts (road, rail, tanker), employee commute (two-wheeler). During the reporting period scope 1, scope 2 and scope 3 emissions were 13,74,788 MT CO₂, 87,499 MT CO₂, and 64,049 MT CO₂ respectively. The emission intensity has reduced over the years.

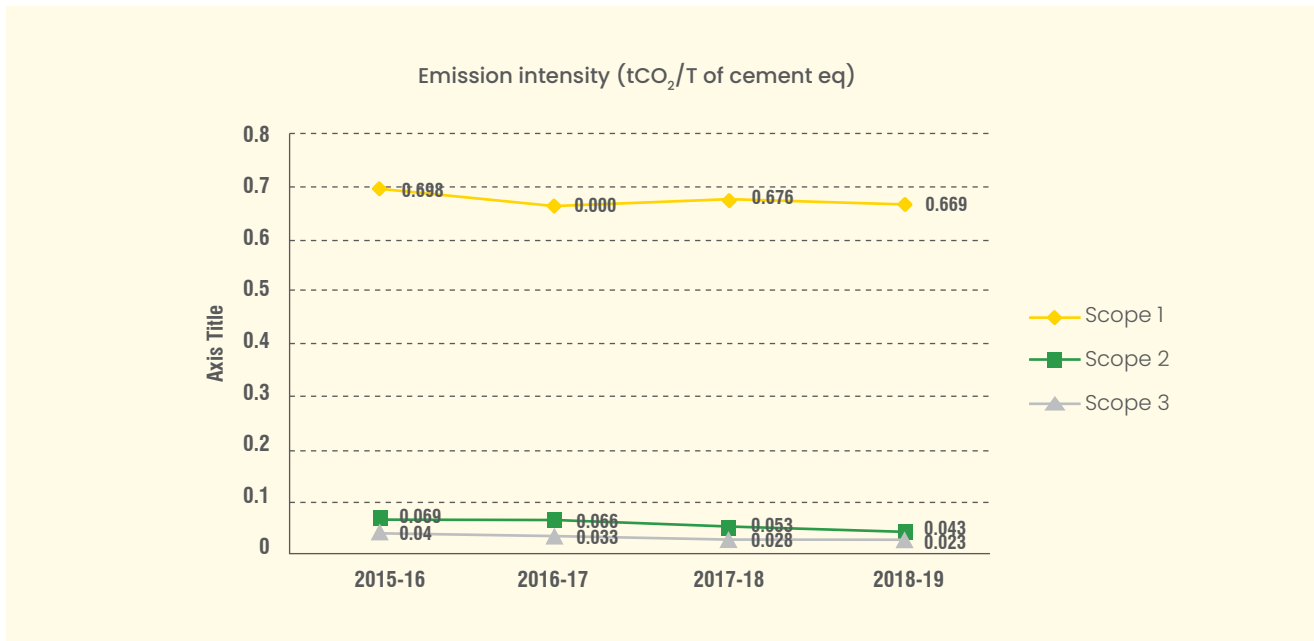
Controlling Emissions: Dust, SO₂ and NO_x

SCL efforts are not just limited to meeting the new stringent emission standards but also to strive hard to improve its performance beyond compliance. To gear for various types of emission challenges imposed by the regulatory body, number of measures are being implemented across all operations to control stack emissions by replacing the conventional bag filter with polytetrafluoroethylene (PTFE) coated filter bags in identified areas.

SCL has already installed the latest generation Reverse Air Bag House (RABH) for the main stack to handle Kiln and Raw Mill (VRM) gases.

To control the emissions, SCL adopted NO_x control pre-heater technology for line-2 kiln, which creates a reduction atmosphere in a part of the PC duct by diverting the Tertiary Air partly and joins at below the gooseneck. NO_x generated from main burner and PC burner travel through reduction atmosphere and a reaction will take place resulting in the reduction of NO_x compare to normal pre heaters.

The NO_x, SO_x emissions are within acceptable limits.



In line with Sustainability Development target, SCL achieved reduction its net specific CO₂ emissions per ton of cement by 11.61% in target year of 2018-19

as compared to the base year 2014-15. SCL plans to reduce its specific CO₂ emission by 15.77% by 2022-23.

Some of our initiatives to reduce our carbon emissions include:

Reducing the Clinker Factor:

SCL has identified the key levers for the reduction in CO₂ emissions that include inter alia clinker substitution. SCL is already utilizing 35% Fly ash in its PPC production which is a max limit as per BIS, as there is no scope to increase further, SCL is also trying to increase its PPC share from existing 30% to further maximum possible extent by motivating Masons, Engineers, Builders, and Dealers, etc., by organizing public meetings.

limestone mining, less crushing, less grinding which are finally burnt in cement kilns. Apart from this, there is also less fuel consumption which together result in lower CO₂ emissions. During the year 2017-18, SCL utilized 175 thousand tons of fly ash and targeted to use 61 thousand tones of performance improver (Crushed Limestone) and 219 thousand tons of Fly Ash during the year 2022-23, providing sustainable environment-friendly services to the nation. We expect to enhance the overall share of blended Cement and thus lower the clinker factor leading to lower specific CO₂ emissions.

As a matter of fact, the production of blended Cement lowers the requirement of clinker, as some part of clinker is replaced with fly ash or performance improvers at the final grinding stage. Lower clinker consumption leads to less

Alternative Fuels & Raw Materials (AFR):

SCL has taken appropriate initiatives to replace part of fossil fuels by using alternative fuels to reduce CO₂ emissions.

The use of AFR essentially serves to move away from dependence on fossil-based fuels and other mineral resources. The company succeeded in co-processing 0.87%, 0.63%, 0.54% & 0.09% of TSR in FY 2015, 2016, 2017 & 2018 respectively. SCL targets to achieve 0.75 %, 1.0%, 1.5%, 2% and 2.5% of Thermal Substitution Rate (TSR) in

the FY 2019, 2020, 2021, 2022 & 2023 respectively. We expect our TSR percentage to increase in the long run, thus enabling the company to cut its carbon footprint even further.

Adequate space for alternate Fuel storage has been provided at the site, with proper concrete floor, concrete walls and roofing, which enables prevention of hazardous waste contaminating the soil while handling.

Overall CO ₂ Reductions Achieved (Scope 1 & 2)	2018-19	2017-18	2016-17	2015-16
On Account of Thermal Savings ¹ (Tonnes of CO ₂)	3,437	391	1,854	2,210
On Account of Electrical Savings ² (Tonnes of CO ₂)	39,638	25,672	Nil	Nil
On Account of Clinker Factor Improvement ³ (Tonnes of CO ₂)	48,099	23,334	35,412	Nil

Note:

- CO₂ emission reductions on account of thermal energy are calculated value.
- CO₂ Emission Factor (CO₂ Baseline Database for the Indian Power Sector - Jun 2018- by Central Electricity Authority) was used for calculating the CO₂ emissions on account of electrical savings.
- CO₂ emission reductions on account of clinker factor improvement are calculated by considering the CO₂ emission factor derived from CSI protocol V₃. (GRI 302-4)

Logistics and Transport



This is one area that is responsible for CO₂ emissions mainly because of fuel consumption. To minimize the emissions from transportation, SCL promotes awareness programs among transporters for regular maintenance of vehicles. SCL makes sure that cement trucks are de-dusted and covered in

taraulins prior to leaving cement plant premises in order to minimize dust pollution while trucks move on the roads. SCL also promotes bulk transport of cement which is not only cost-effective but also environment-friendly. Similarly, rail movement is preferred for long distances as a more sustainable mode.



Waste Management

Sagar Cements has put in place an efficient waste management system to manage both hazardous and non-hazardous wastes. We have adopted a hierarchical approach to manage waste i.e. to reduce, reuse, recycle and recover to the best possible extent by making use of viable technologies. Our waste management policy encourages us to adopt sustainable measures to reduce our negative impact on the environment.

In cement manufacturing solid waste generated during Raw meal grinding, clinkerization, and cement grinding process is re-collected by means of RABH, ESP and BF's then reinjected back into the process so that clean environment can be maintained and raw materials can be conserved effectively. Fly ash waste generated from CPP is used in PPC

manufacturing. Other waste generated from plant maintenance like used oil and metal scrap is disposed off in responsible manner & as per regulatory guidelines.

At SCL, we strive for "Zero Discharge" status in respect of all our operations and we do not discharge any process effluent in water bodies or anywhere else. Complying with the new regulations, we are also in the process of installing new/upgrading existing STPs wherever necessary.

During the reporting period, both hazardous and non-hazardous waste was disposed of in a responsible manner and we did not send any hazardous waste to landfills.

The detail of the solid waste generated is as follows:

A - Total Hazardous Waste Disposed

S. No.	Type of waste	Unit	2015-16	2016-17	2017-18	2018-19	Disposal Mechanism
1.	Waste Lubricants Oil	Ltrs	11,897	12,514	22,101	21,234	Re-used in Reclaimer Chains and Other Areas/Sold to Authorized External Agency
2.	Waste Grease	Kgs	995	938	1,348	1,885	Burning in Calciner and Third Party Sale
3.	E-Waste	Kgs	713	0	1,127	220	Sold to Authorized Agency for Disposal/Reprocessing

B - Total Non- Hazardous Waste Disposed

1.	Metal Scrap	MT	417.4	131.6	1,031.7*	273.8	Sold to Third Party
2.	Belt Scrap	MT	15.6	10.5	6.1	7.3	Sold to Third Party
3.	Office , In-House Packing & Socked Cotton	MT	4.7	5.7	6.6	8.7	Burned in Kiln
4.	Tyre Scrap	NOS	36.0	38.0	34.0	37.0	Sold to Third Party
5.	PP Scrap	MT	7.4	7.5	49.7	28.8	Sold to Third Party

* Metal scrap disposed during 2017-18 is comparatively higher side due to accumulation from previous year and generated from WHR project work.

Being in the cement industry, it gives us an opportunity to not only manage our waste but utilizes waste generated from other industries into our process. We

encourage co-processing wherein we utilize waste generated from industries such as pharma, steel, etc. into our processes.

S. No.	Description	Type of waste	UOM	2015-16	2016-17	2017-18	2018-19
1.	Solid Pharma waste utilization to reduce fossil fuel (coal) consumption.	Hazardous	%	2.36	0.7	0.21	1.59

Water



Sagar Cements, since long is mindful of critical importance of water for production process, employees, neighbourhood communities and to well being of all living bodies. By systematic and sustained efforts, company became water positive and wish to strive hard to keep improving further. With this self committed objective, the company has implemented an

integrated water resource management plan. Some of the key features include rainwater harvesting, recycling, and reusing of treated water, etc. The company has a well-documented water management policy acting as a guiding tool towards efficient management of this very critical resource.

Description	UOM	2015-16	2016-17	2017-18	2018-19
Harvested Rain Water (KL) (Consumed in Plant)	KL	2,14,342	1,59,989	1,56,381	1,71,614
Bore well (KL) (Domestic water consumption)	KL	25,462	47,738	89,603	88,929

Water at Sagar Cements is required for industrial and domestic usage. 100% of industrial water requirement is met by rainwater and underground water is utilized to fulfill the domestic requirement. Since the plant is based on dry process the water requirement is low. It is required to cool bearings, compressors, after-coolers,

gearboxes and for conditioning towers etc. During the reporting period from 2015-16 to 2018-19, specific water consumption has reduced from 0.17 to 0.14 KL / Ton of cement while net surplus water has increased from 26,260 KL to 3,47,984 KL.

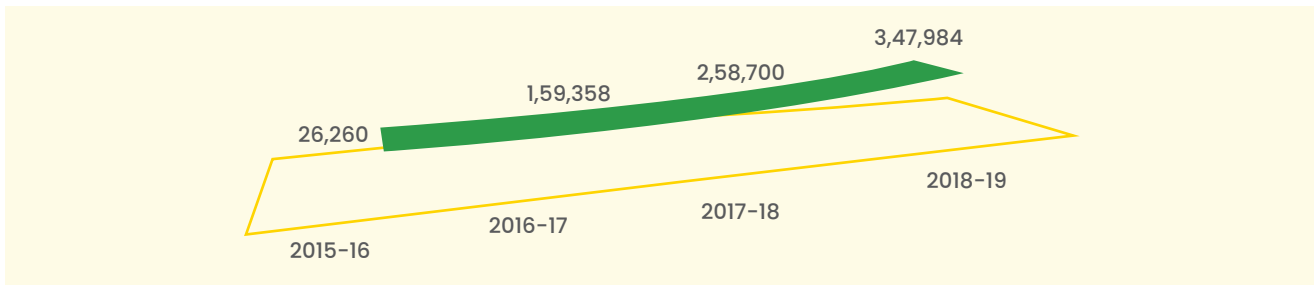


Figure 2: Net Surplus water in KI

In its endeavor to conserve and reuse water, Sagar Cements has implemented various measures including an efficient measuring and monitoring system, installation of softener plant, STP, using treated water for low grade uses like process internal spraying, road wetting,

horticulture, conducted awareness programmes for employees, etc. As a result, freshwater consumption reduced by 39.74% during the year 2018-19 compared to the baseline year 2015-16.

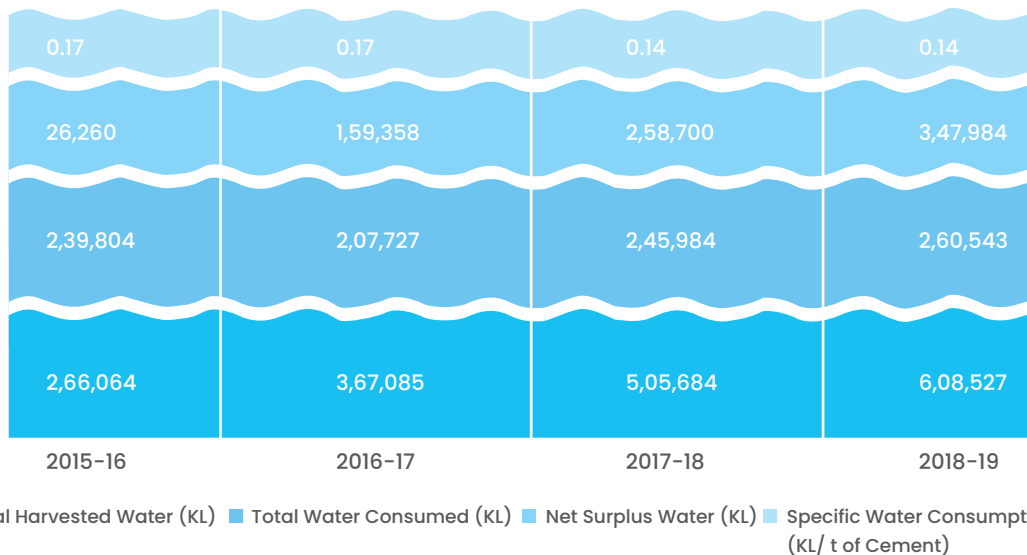
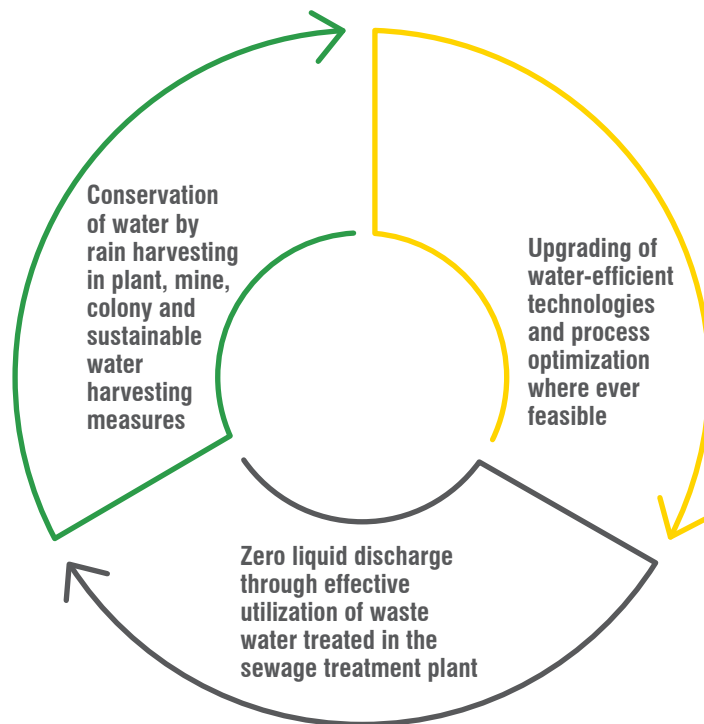


Figure 3: Water Consumption

SCL aims to reduce its freshwater withdrawal by 30 % by 2030. To achieve

this objective we are focusing on the following initiatives.



Life Cycle Analysis

LCA evaluates the ecological impacts resulting from materials, manufacturing, usage, and disposal of a product. It identifies environmental hotspots and facilitates in improving the overall sustainability of the product.

The study was conducted for our products OPC and PPC respectively. It is in compliance with ISO 14044: Environmental management – Life cycle assessment standard. The scope included from acquiring raw material i.e. mining of limestone till the packaging of the cement.

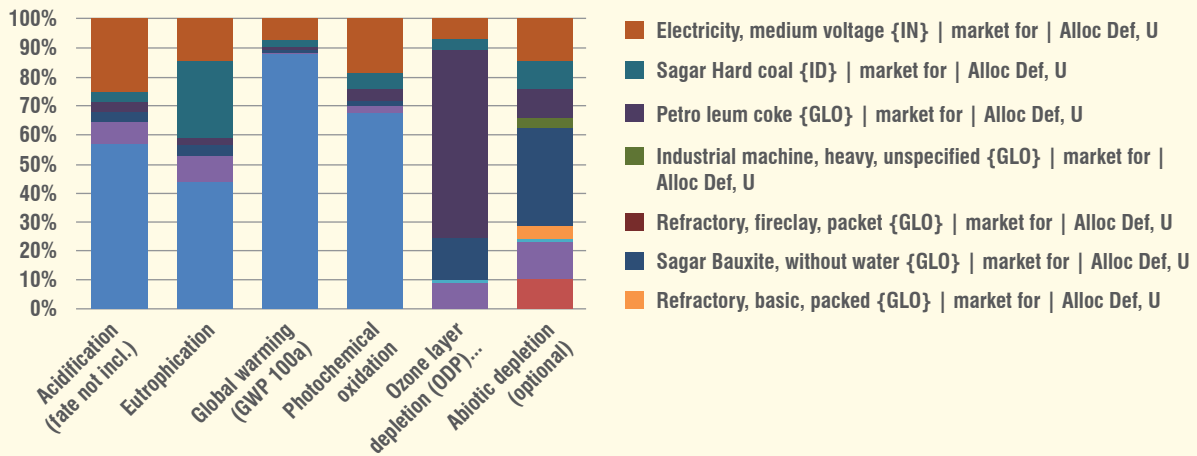
The objectives of the study were:

- To monitor the environmental impacts caused due to the manufacturing of various types of cement
- Establish environmental profiles for OPC & PPC
- To determine hot spots and key environmental parameters between cradle to gate operation in the manufacturing process
- Compare the processes so as to establish the one with the least potential environment impact
- To understand the effect of alternate fuels in the fuel mix and its impact on the environment

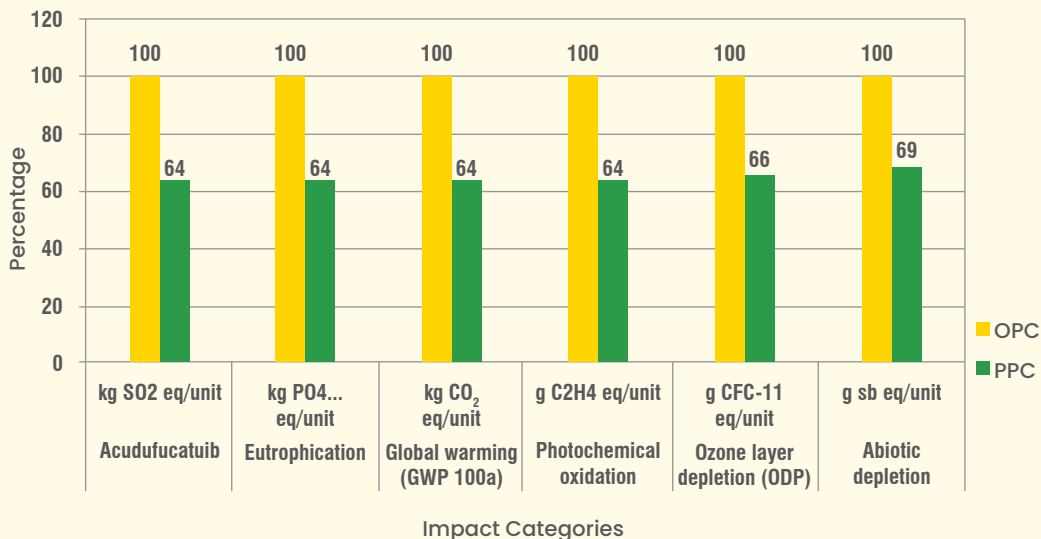
On comparison of the results of Sagar's clinker with the Indian average value, it was observed that the gate to gate values were higher than the Indian average values and it may be due to the types of fuel used in manufacturing

clinker, less utilization of alternate raw materials and efficiency of the equipment used. Betterment of all these aspects would help to reduce the impacts caused by the product.

Results



Impacts per ton of PPC Vs OPC



Environmental impact reduction based on LCA (Carbon/Material/Water/Toxicity)

S. No.	Impact Category	Unit	PPC	OPC	% Reduction of Impacts
1.	Acidification (fate not incl.)	kg SO ₂ eq	0.90	0.58	36
2.	Eutrophication	kg PO ₄ eq	0.17	0.11	36
3.	Global Warming (GWP100a)	kg CO ₂ eq	88,1.8 ₁	563.66	36
4.	Photochemical Oxidation	kg C ₂ H ₄ eq	0.07	0.05	36
5.	Ozone Layer Depletion (ODP) (Optional)	kg CFC- ₁₁ eq	0.0000122	0.0000080	34
6.	Abiotic Depletion (Optional)	kg Sb eq	0.000060	0.0000413	31

Some of the other projects executed based on LCA study and benefits realized are as follows:

- 1) Fly ash consumption in PPC increased from 31% to maximum limit of 35 % to conserve the clinker.
- 2) PPC production increased from 25 to 30% and further targeted to produce above 40% to conserve both electrical energy and thermal energy.
- 3) Refused Derived Fuel (RDF) fuel pumping system installed to increase the ATF consumption.
- 4) Alternative fuel consumption increased to improve thermal substitution rate (TSR) from 0.63% to 0.75 % further targeted to achieve 10 % in future.
- 5) Conducting of Energy audits by third party at every three year to identify the areas of energy losses and to take up the actions to improve.

GHG reduction by implementing following projects

S. No.	Description	UOM	2015-16	2016-17	2017-18	2018-19
1.	Fly ash consumption	MT	1,06,251	1,60,047	1,75,497	1,89,690
2.	Performance improver consumption in OPC	MT	0	0	0	11,683
3.	Total consumption	MT	1,06,251	1,60,047	1,75,497	2,01,373
4.	Specific GHG Emission (Scope-1&2)	kg CO ₂ /t clinker	789.53	780.84	780.42	787.13
5.	CO ₂ Reduction due to Mineral Components (MIC)	t/year	83,888	1,24,971	1,36,961	1,58,506



Biodiversity



SCL understands its mining footprint and takes every possible measure in preserving the biodiversity of the area. We follow sustainable mining practices including controlled blasting to reduce dust and noise, planting native species, controlling our emissions, etc. Further we continue to work passionately to enhance the green spread in and

around our quarry sites, manufacturing units, residential colonies, and nearby villages. As a result, the area has become the best nesting and breeding habitats for migratory and local avifauna.

Strategy to mitigate the impact of mining on Biodiversity.

Before mining begins use strategic assessments that look at biodiversity impacts caused by regional developments

During the life of mine offset any unavoidable impacts on biodiversity by supporting conservation activities elsewhere in the region

When the mines are closed, we rehabilitate mine sites not just to re establish vegetation cover but, to develop a self-sustaining ecosystem that interacts positively with the surrounding landscape

SCL has been mining Limestone for the past 35 years. Our plant and mines follow comprehensive plans and undertake rehabilitation of available areas of mines and by supporting the conservation activities elsewhere in order to protect the biodiversity and nature around.

SCL has conducted a 3rd party assessment of the mining area before the commencement of the project.

Tree Plantation: Our plantation activities focus on planting native and local species best suited to the local ecology.

Rainwater Harvesting: SCL has constructed about 49 rainwater harvesting pits in the mines, plant and colony areas to recharge the groundwater. Apart from the above, bottom benches of the mine pit has developed to harvest the rainwater which helped to enhance the self-sufficiency of water for the plant.

Top Soil Preservation and Utilization: Black Cotton Soil present in the top benches 1 – 2 mtrs is being used for making bed for plantation.

SCL has developed a sump in the bottom benches in the mine for storing the rainwater. When the mineral is exhausted proposals will be made to develop a self-sustaining ecosystem like aquaculture that interacts positively with the surrounding landscape.



Occupational Health & Safety

Sagar Cements gives paramount importance to providing a healthy and safe working environment to its employees. A culture of safety is promoted by our top management that flows down the hierarchy and each employee has imbibed this in its workplace. The presence of a dedicated HSE policy further bolsters our commitment towards safety.

In the cement manufacturing plant, workers are exposed to various safety hazards due to operating heavy machinery, exposure to chemicals, etc. They are susceptible to various diseases related to eye, skin and Lungs. Therefore it becomes important to take preventive measures to ensure a safe workplace. We have conducted a detailed audit to identify various hazards across the plant and risks

associated with each such hazard thereby taking preventive measures wherever applicable. In case of an incident, we have implemented a quick response system, where the incident is investigated with 48 hrs. Innovative solutions have been implemented to prevent a prospective hazard e.g. to avoid fugitive dust emission, we have installed air filter cleaning arrangements, automatic water sprinklers, etc.

In addition, the plant is also certified to international standard ISO 45001.

We have constituted a dedicated safety committee which is spearheaded by the Chairman. The prime responsibility is to oversee the occupational health and safety aspects of the workplace. The committee has an equal representation of management and workers.



Following are objectives of the Safety committee:

- To identify and suggest control measures for the hazards in their department /sections.
- To suggest improvements/modifications, if any, to ensure safe working conditions.
- To identify the requirement of any specific personal protective equipment and suggest steps for the procurement.
- Review of corrective and preventive actions regarding accidents/incidents in the concerned departments.
- Review and upkeep of internal housekeeping.
- General review of occupational health and hygiene of the employees.
- Review of environmental pollution and control measures.

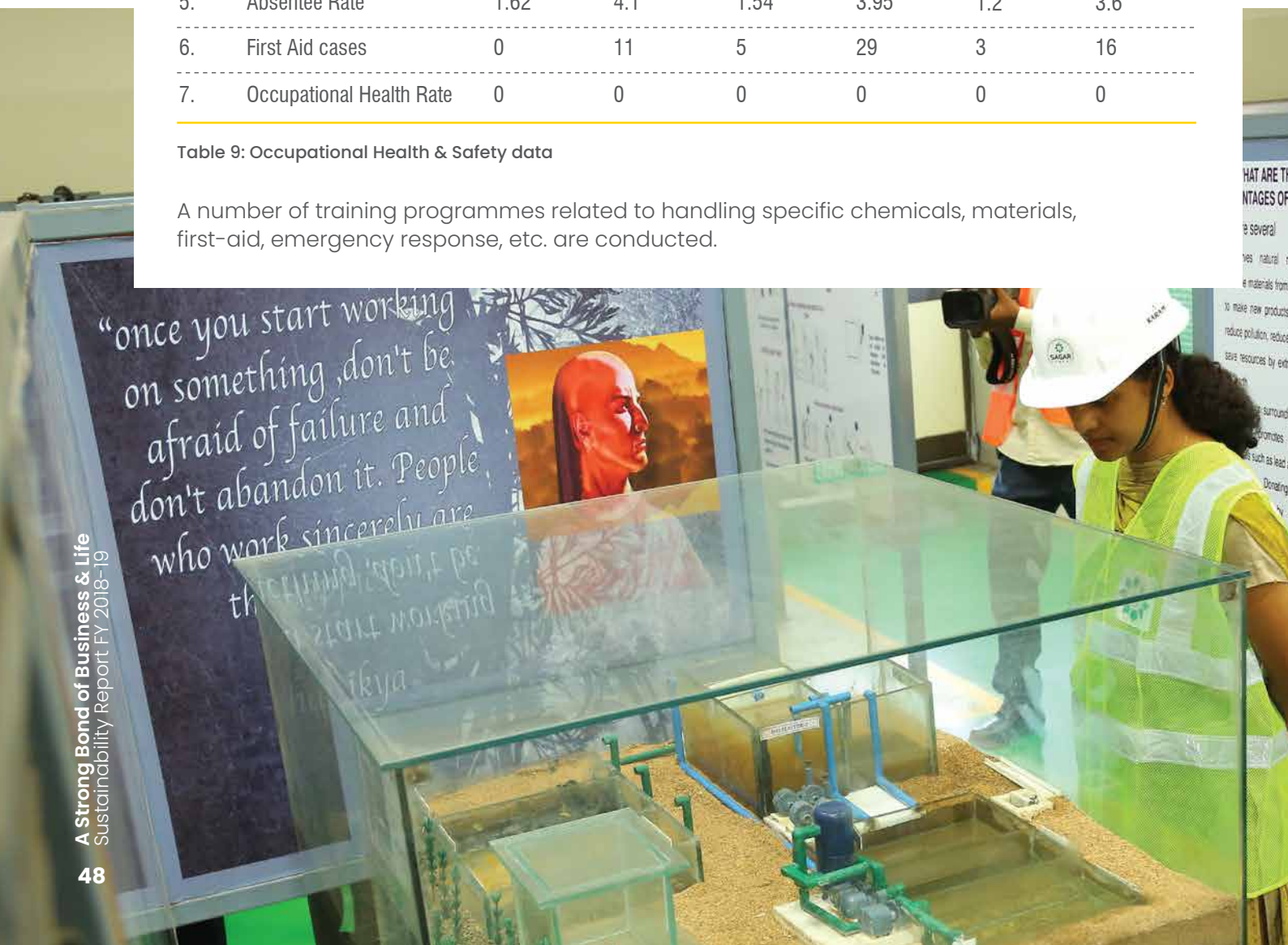
Senior Management at SCL is equally involved in maintaining a safe working culture. They interact directly with the shop floor personnel, and discuss a prospective hazard at their workplace.

Events such as these have significantly improved our safety performance. In line with this, we have also introduced toolbox talk, periodic trainings, gate safety meets, and motivational programs.

S. No.	Particulars	2016-17		2017-18		2018-19	
		On Roll Employees	Contractual	On Roll Employees	Contractual	On Roll Employees	Contractual
1.	Fatalities	0	0	0	0	0	0
2.	LTIFR	0	1.4	0	0.84	1.6	1.94
3.	Injury Rate	0	4.04	0	4.88	4.67	5.696
4.	Man-day Lost Day Rate	0	0.562	0	1,019.08	0.64	0.77
5.	Absentee Rate	1.62	4.1	1.54	3.95	1.2	3.6
6.	First Aid cases	0	11	5	29	3	16
7.	Occupational Health Rate	0	0	0	0	0	0

Table 9: Occupational Health & Safety data

A number of training programmes related to handling specific chemicals, materials, first-aid, emergency response, etc. are conducted.



Occupational Health



The health of our employees is our topmost priority. We ensure the availability of the best healthcare facilities for our employees. Well-equipped occupational health centers, ambulance, trained doctors, first aid kits, etc. ensures accessible health care in need. Further, we monitor the health of our employees specifically those who are exposed to hazardous conditions. They are examined every six months.

Recognition



Employee recognition is a part of our company culture. Each employee is valued for their contribution and are appreciated for their efforts. Innovative ideas are suitably rewarded.





People Performance

Sagar Cements takes pride in its diverse workforce, as it is their dedication and commitment that has taken the organization forward. The company has a strong value system where each employee is given an equal opportunity to grow.

Their perspectives, ideas, and solutions are respected and valued. We have a family of 827 talented individuals who are working diligently to meet customer requirements.

Employee Category	Employees during the Reporting Period by Age Group and Gender (2018-19)					
	< 30		30-50		> 50	
	F	M	F	M	F	M
Executives	0	10	0	98	0	28
Staff	0	7	0	25	0	13
Workmen	0	3	0	54	0	17
Trainees	0	15	0	2	0	0
Contract Workmen	0	242	4	278	0	31
Total	0	277	4	457	0	89

Table 5: Total Workforce

During the reporting period, 15 employees joined the organization. At

the same time, 19 employees bid adieu to pursue their career goals and aspirations.

Employee Category	New Hires during the Reporting Period by Age group & Gender 2018-19					
	< 30		30-50		>50	
	F	M	F	M	F	M
Executives	0	1	0	4	0	3
Staff	0	0	0	1	0	0
Workmen	0	0	0	3	0	0
Trainees	0	3	0	0	0	0
Total	00	04	00	08	00	03

Table 6: No. of Employees joined the organization

Employee Category	Employees Leaving during the Reporting Period by Age Group and Gender 2018-19					
	< 30		30-50		>50	
	F	M	F	M	F	M
Executives	0	00	0	05	0	06
Staff	0	0	0	02	0	03
Workmen	0	0	0	0	0	02
Trainees	0	01	0	0	0	0
Total	00	01	00	07	00	11

Table 7: No. of Employees resigned from the organization

We lack diversity in terms of gender due to various factors such as the nature of the business, location, etc. However, we are working to incorporate female employees in other functions such as administration at our corporate office. Appraisals provide the opportunity to recognize and reward employees and to ensure they feel valued for the work that they do. During the reporting period, 100% of our on roll employees went through the appraisal process.

Freedom of Association

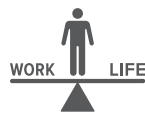


100% of the non-management staff, Shop Floor and Office associates categories are unionized employees. The management ensures their participation in all the management decisions and events and accordingly updates them on major decisions as well as operational changes. The trade unions are used as a platform for constructive dialogue.

Education and Training



Sagar Cements has adopted a holistic approach for employee development. Various training programmes are organized to hone their skills and keep them abreast of the latest developments in the industry. In addition, employees are encouraged to attend specific training programmes organized by other organizations to develop technical capabilities and financial support is provided for the same. During the reporting period, workshops on issues such as energy efficiency, waste management, fire safety, etc. were conducted.



Work Life Balance

SCL lays emphasis on maintaining a healthy work-life balance. It serves a dual purpose of improving productivity and hence boosts employee morale. We have initiated a number of programmes to ensure that our employees have high work satisfaction, such as family health care, availability of essential services including school, market etc. in the township premise, recreational clubs as a means to reduce stress, Leisure tours at a nominal cost, etc.



Employee Category (*maintain same categories)	Training Hours		Total Employees		Average training hour per male employee	Average training hour per female employee	Total Average training hours 2018-19
	Male	Female	Male	Female			
Executives	4858	0	153	0	31.75	-	31.75
Staff & Workmen	1729	0	119	0	14.50	-	14.50
Contract Workmen	1990	0	555	0	3.59	-	3.59
Total	8596	0	827	0	10.39	-	10.39

Table 8: Avg. training hours per employee

Employee Welfare



In addition to competitive salaries, regular employees benefit from attractive schemes covering education, health, retirement, loans to meet the special needs of the employee, etc. All employees on-roll are covered under a group mediclaim policy and group personal accident insurance scheme.

We support our employees not only during their period of service but also after retirement. In addition to retirement benefits, an assured sum of money is granted to an employee on retirement. The amount varies as per the number of years of his association with the organization. Further to this, we have a family pension scheme where every

employee who completed eligibility service of 10 years under FPS, 1995 will receive monthly pension on retirement

Employees stationed at our plant in Mattampally are provided with a decent accommodation facility along with other services including a healthcare centre, school and other recreational activities run by the Company in its premises. Temporary or part-time staff do not receive the same benefits as full-time or permanent staff, though their benefits compare well with local market practice. But they do get covered under various social welfare legislations along with full time or permanent staff.





Supply Chain Management

An effective supply chain management can reduce environmental degradation and production costs. It can also spur economic growth, create a competitive advantage in terms of greater customer satisfaction, positive image, reputation and provide better business opportunities.

Sagar Cements works closely with its suppliers on various issues including energy efficiency, waste management, resource conservation, health, and safety, etc. Our green procurement policy applies to all our suppliers. We give priority to those suppliers & dealers who have integrated good environmental and social practices into their operations while maintaining the quality of the product. Our critical suppliers are expected to follow sustainable practices.

We conduct various training programmes to build the capacity of the suppliers. These programmes are conducted in their premises by Sagar cement experts or are outsourced to external experts. They are encouraged to implement green practices including the use of renewable energy, rainwater harvesting, etc. and are rewarded for their actions.

Further, we work towards reducing the environmental impact across our supply chain. A number of initiatives have been implemented. Some of them include:

- Increase in bulk transport ratio
- Use of an alternate mode of transport (Rail is given priority over the road)
- Promoting the use of environment-friendly packing materials. Increase the use of Non-HDPE Bags for product packing.
- Purchasing better quality materials only which are expected to give longer life.
- Reducing the transport distance of materials procurement and product sales etc.





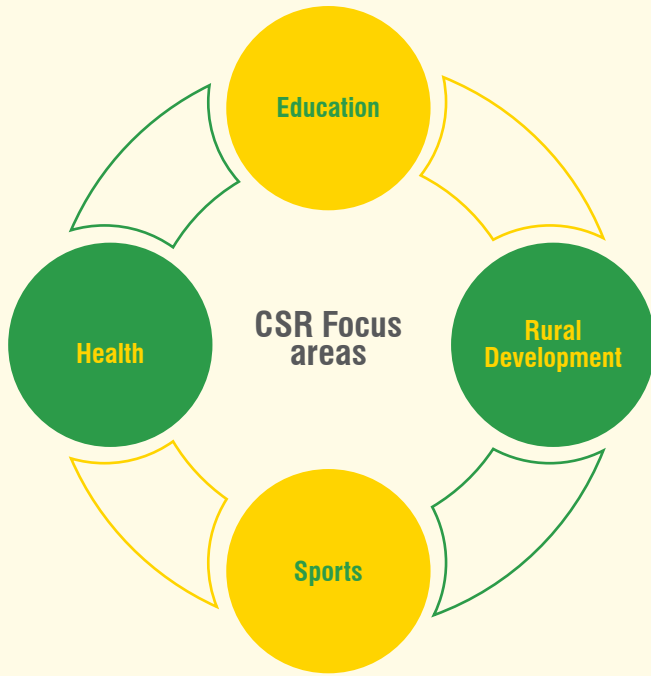
Social Performance

Sagar Cements understands that corporate social responsibility is a tool to create value for stakeholders specifically for the disadvantaged group of the society. Our initiatives are designed with an objective to create a positive social impact while reducing the negative environmental impact of our operations.

The company has a structured governance procedure to monitor its CSR activities. The CSR committee is responsible for the identification and implementation of various projects whose actions are guided by the CSR policy. SCL's CSR Policy is guided by the following principles:

- To conduct its operations with integrity and responsibility, keeping in view the interest of all its stakeholders.
- It believes that growth and environment should go in hand and hand.
- It looks forward to collaborating with different stakeholders including Governments, NGOs, Suppliers, and Distributors to tackle the challenges faced by society.





Our focus areas remain sports, education, health, etc. During the reporting period, we spent Rs. 121.59 Lakh on various projects including preventive healthcare, sanitation, availability of portable drinking water, promotion of educational infrastructure, development of rural infrastructure and organizing sports events. All our programmes were limited to local areas of Nalgonda Dist, Telangana.



Education

We provide quality education at no cost to children of daily working labours from surrounding villages through our educational institution under the name

of Sagar Vidya Vihar. In addition, we also support various government-run schools with amenities such as utensils, furniture, etc.





Safe drinking water and irrigation

Availability of portable water is a challenge, specifically in Suryapet District as the area has high fluoride content leading to various diseases. Considering the same, Sagar Cements has installed two 1000 LPH Ro Water plant in Pedaveedu & Mattampally Gram panchayat benefiting approx. 3000 families. Further these plants are maintained by Sagar Cements.



Skill Development

SCL provides two years of employability skills development programme to educated youth under its CSR Initiatives along with a stipend.

The focus is on providing industrial exposure, on-job training, and soft skills. Most of our trained youth are able to get employment in other industries.



Lift Irrigation

In our surrounding communities, 70 % of the population earns their livelihood through agricultural activities. However, due to the unavailability of mechanisms to channel river water for irrigation, farmers faced water issues. Considering this Government of Telangana has constructed Lift Irrigation for channeling the water for agriculture. Despite this effort, several issues related to operation and maintenance surfaced, as a result, the farming community suffered and migration to urban areas increased.



SCL through the lift irrigation committee took the initiative and assured the farming community of its support to the project. The company has facilitated the maintenance of the project which has become the heart for paddy cultivation by the farmers.



As a result, there is an average of INR 4,000 per month increase in income of beneficiary farmers and simultaneously there was less migration to urban areas.



Infrastructure Development



SCL has supported infrastructure development through the construction

of roads, drainage systems, street lights, bus shelters, water tanks, etc.



Assurance Statement



LIBEROGROUP

ΠΡΟΣ ΕΘΝΙΚΗ ΤΡΑΠΕΖΑ

Independent Assurance Statement

Introduction

Libero Assurance (Libero'), has been entrusted by the management of Sagar Cements Limited (SCL, the Company), to conduct independent assurance of SCL Financial year 2018-19 Sustainability Report, (the report) for its India operations. All contractual contents of this assurance agreement rest entirely within the responsibility of SCL. Our task was to give fair and adequate judgement on the SCL Report. This assurance engagement is based on the assumption that the data and information provided to us is authentic and complete.

The intended users of this assurance statement are stakeholders having relevance to SCL's overall sustainability performance and impact of its business activities during 1st April 2018- 31st March 2019. Libero Assurance (the Agency), headquartered at Greece, is an international certification body accredited by two Accreditation bodies, IAS (USA based) and E.SY.D. (EU based). The agency has experienced and qualified professionals in the field of quality, sustainability services and environment. We maintained complete impartiality and independence during the assurance engagement and were not involved the preparation of report contents.

Assurance Standard

The independent Assurance was carried out generally in accordance with the Global Reporting Initiative (GRI) Standard (2016) "In Accordance-Core", AccountAbility, U.K Standard AA1000AS (2008) with 2018 addendum, AA1000AP (2018) and AA1000SES (2015)

Scope, Boundary and Limitations of Assurance

The scope of the assurance includes the verification of the content of the Report, prepared based on GRI Standard "in accordance-Core". In particular the assurance covers following:

- Verification of the application of the Report content, principles set out in GRI Standards and quality of information presented in the Report covering reporting period from 1 April 2018 to 31 March 2019;
- Review of the disclosures with respect to policies, initiatives, practices and performance described in the Report;
- Review of the Report against the requirements of Type 1, Moderate level assurance based on AccountAbility's Assurance Standard AA1000AS (2018);

The reporting boundary is as set out in the Report, covering sustainability performance of Sagar Cements Limited. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as part of this assurance engagement. The assurance was based on the data provided in the report, online meetings and documents provided by the company, assuming they are true and complete.

Verification Methodology

Libero Assurance challenged the report contents and assess the process undertaken by SCL from source to aggregate in disclosure of information/data related to their sustainability performance. Our judgement is based on the objective view of reported information as per criteria defined under Assurance standards.

We used analytical methods and the performance of interviews to verify and validate the correctness of reported data and contents in light of the contractual agreement. For understanding the material issues of the company, we adopted a risk-based approach and verified efforts on the identified issues of high material relevance to Company's business and its stakeholders.

- Verified the sustainability-related statements and claims made in the Report and assessed the robustness of the data management system, information flow and controls;
- Examined and reviewed documents, data and other information made available;
- Conducted interviews online with key representatives including data owners and decision-makers from different functions;

We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below:

Inclusivity: The Company engages in direct dialogue with key stakeholders to identify emerging issues through different channels. Although, no specific consultation was done for the purpose of developing this report, material issues that emerged from stakeholder consultation through various channels were fairly collected and prioritized, and the results are reflected in the Report.

Materiality: The Company has reported its material issues of significance. The identified material issues are adequately covered in the Report.

Responsiveness: We consider that the Company's response to key stakeholder concerns, through its policies and management systems, allocation of resources including governance as fairly reflected in the Report.

Specific evaluation of the information on Sustainability Performances

We consider the methodology and processes for gathering information developed by the Company for its sustainability performance reporting to be appropriate and the qualitative and quantitative data included in the Report was found to be identifiable. The personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the Company's sustainability activities.

Positive Observations

- Life cycle analysis of the product to understand the impacts in various phases of lifecycle
- Strong thrust from one and all, within the Organization, on Sustainable Development
- CSR activities with the community by providing jobs, drinking water, doctor advice, education on rainwater harvesting, waste segregation and project for utilizing the waste in the process of Sagar Cements Limited.

Opportunities for Further Improvement

- Management plan and target for next 3-5 years can be included in report with more details.
- Management approach can be made clear by giving process details

For Libero Assurance,



Gayathri R.

Lead Verifier

15th & 16th May 2020

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102-11	Precautionary Principle or Approach		21
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Abbreviations

MT	:	Metric tonne
TPA	:	Tonnes per annum
MTPA	:	Million Tonnes per annum
mn Tonnes	:	Million tonnes
TPD	:	Tonnes per day
C	:	Centigrade
KJoule/Kg	:	Kilojoule per kilogram
KCal	:	Kilocalories
KCal/Kg	:	Kilocalories per kilogram
TCO ₂ e	:	Tonne of CO ₂ equivalent
TCO ₂ e/Ton	:	Tonne of CO ₂ equivalent per tonne
J	:	Joules
KJoule/Kg	:	Kilo Joules per kilogram
GJ	:	Giga Joules
KL	:	Kilo liters
KWh	:	Kilo watt hour
MW	:	Mega watts
LTIFR	:	Lost time Injury frequency rate
ISO	:	International organisation for Standardization
TSR	:	Thermal substitution Rate
Ltrs	:	Litres
Kgs	:	Kilograms
OPC	:	Ordinary Portland Cement
PPC	:	Portland Pozzalana Cement
eq	:	Equivalent

Conversion Factors

1 kWh	0.0036 GJ
1 kCal	4.18 kJ
1 J	1 W-Sec

Memberships

Confederation of Indian Industry
Federation of Telangana and Andhra Pradesh
Chambers of Commerce and Industry.



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