Ref:SCL:SEC:2022-23

3rd June 2022

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 31st March 2022, which, inter-alia contains the Notice of the 41st Annual General Meeting of the company to be held on Thursday, the 30th June, 2022. 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.

SAGAR CEMENT

41st Integrated Annual Report
2021-22

Progressing from **Strength to Strength**

Progressing from **strength to strength**

At Sagar Cements, we are powered by our aspirations, operational excellence, and commitment, to uphold the highest standards of responsibility. Since our inception in 1981, every passing decade has seen us deliver on our promise of doubling our installed capacities, growing our market presence, and creating consistent value for all our stakeholders.

Throughout our journey of more than 40 years as one of the premier cement companies of the country, we have grown and fortified our strengths, contributing to the local economy, and in turn, setting in motion a virtuous cycle. FY2022 has been a true testament to this, with new facilities being operationalised, stronger relationships being built, and greater commitments being made.

Jeerabad, M.P. - Plant

Here is what has kept us growing:

Ambitious

- Production capacity increase
- Venturing into newer geographies
- Organic and inorganic pathways to growth

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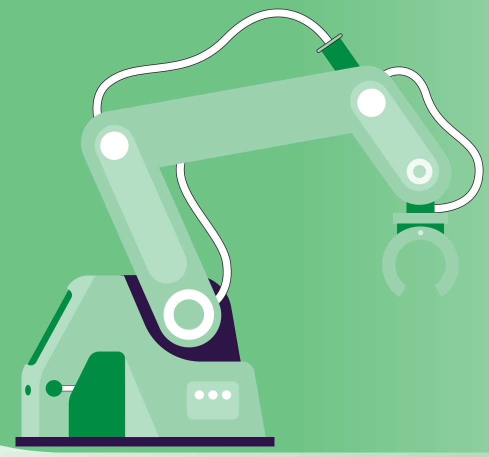

Technology-enabled

- Using state-of-the-art technology in cement production
- Increasing automation in our processes
- Use of Industry 4.0 (AI/ML) technologies

Trusted Relationships

Creating a value-accretive business environment for all stakeholders

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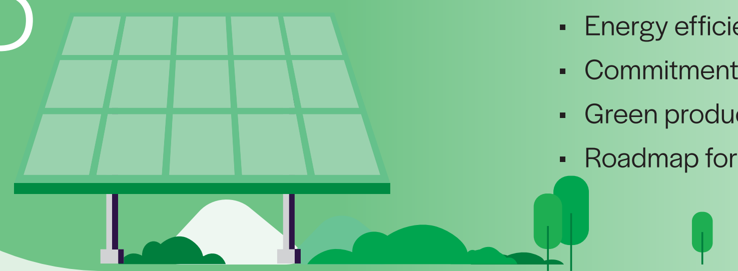
25 Page



Environmentally Sensitive

- Proactively taking measures to mitigate environmental impact
- Energy efficiency
- Commitment to carbon targets
- Green products
- Roadmap for Net Carbon Zero by 2050

About this report

This is the third annual integrated report of Sagar Cements Limited (Sagar Cements, SCL, we, us), guided by the principles and content elements of the International Integrated Reporting <IR> Framework published by the International Integrated Reporting Council (IIRC) (now the Value Reporting Foundation). The report has been prepared in accordance with GRI Standards: Core option.

The objective of the report is to communicate how SCL creates, retains and enhances its stakeholder value. This report provides details of the organisation's credentials and the environment in which the Company operates. It articulates how the Company, through its strong financial and non-financial performance, is able to meet shareholders' expectations by leveraging good governance practices, a robust business model, future-forward strategic framework, and sustainability commitments.

Reporting boundary and scope

This report presents information on SCL, its material subsidiaries, and its integrated and grinding units located in various parts of India. It also covers information on the multiple resources and external services that the Company is dependent on, to create value and impact.

The Company has commenced operations of its new units in Madhya Pradesh and Odisha, which is a material addition to its overall operations. There are no-restatements of information from the previous reports.

* Environmental parameters are for Mattampally, Bayyavaram and Gudipadu units only.

Reporting period

This report covers the disclosures that happened between 1st April 2021 to 31st March 2022 (FY2022) unless otherwise specifically mentioned.

Statutory disclosures and financial statements

The sections of this report comply with the following requirements:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (SEBI) Regulations 2015
- 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 360 degree view of our performance and future direction.

Responsibility statement

The Board of Directors, and the Management, together acknowledge their responsibility towards the integrity of the information presented in this integrated report, to the best of their knowledge. This report is approved for public release on 3rd June, 2022.

Safe Harbour

Certain matters discussed in this report may contain statements regarding the Sagar Cement's (the Company) market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the cement industry in India and world-wide, competition, the Company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, change in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The Company assumes no obligation to update any forward-looking information contained in this communication. Any forward – looking statements and projections made by third parties included in this communication are not adapted by the company and the Company is not responsible for such third party statements and projections.

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)

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

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

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

Inside the report

FY2022 Highlights

₹ 1,59,687 Lakhs
Revenue

₹ 27,577 Lakhs
EBITDA

₹ 5,915 Lakhs
Profit After Tax

36,00,309 MT
Cement produced

81,796 Mwh
Green energy generated

100%
Water recycled

Specific Power Consumption
75.93 Kwh /MT

Specific Water Consumption
91 Litre/MT

Thermal Substitution Rate
3.76%

Specific Co_2/Tonne
603.35 Kg/MT
Scope 1 excluding onsite power

Specific Thermal Energy
2,982.22 Mjoule/MT
(712.77 Kcal/kg)
of Clinker

Zero
Fatalities

₹ 255 Lakhs
CSR spending

42,000+
Number of CSR beneficiaries

37.5%
Independent Directors

100%
Average attendance in Board meetings

** All specific consumption is for cementitious material

Strong growth. Stronger prospects.

We are a leading cement manufacturer with our base in the Krishna river belt in southern India. Over the past four decades since our establishment, we have earned a strong brand leadership in our areas of operations. In recent years, we have expanded our footprint by undertaking greenfield expansions in Madhya Pradesh and Odisha, which competitively positions us to serve the rising demand for building materials in Central and Eastern India.

Jeerabad, M.P. - Plant

Our Vision

To provide foundations for the society's future

Our Mission

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

Sagar at a glance

66.85 MW
Total captive power capacity

4.75 MTPA
Clinker capacity

8.25 MTPA
Total cement capacity

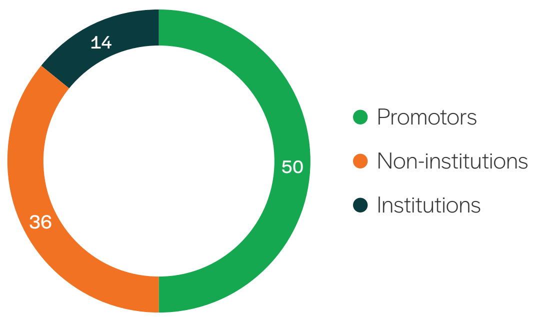
625.05 MnT
Limestone reserves

4,501
Sub dealers

2,244
Dealers

58
C&F agents

Shareholding pattern
(%)



Green products certification

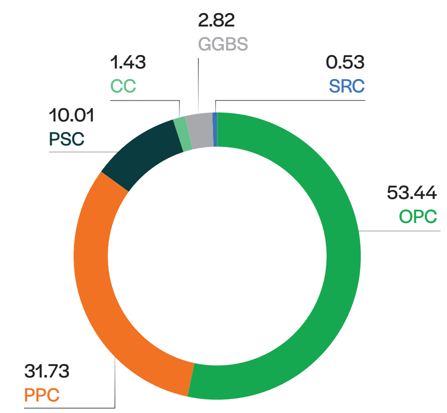
Description of Product	Plant @ Mattampally	Plant @ Gudipadu	Plant @ Bayyavaram
GreenCo Certification	**Gold**	**Gold**	**Platinum**
GreenPro Certification			
PPC (Portland Pozzolana Cement)	✔	✔	✔
Composite Cement			✔
PSC (Portland Slag Cement)		✔	✔
GGBS (Ground Granulated Blast Furnace Slag)			✔

Product portfolio

We manufacture:

- Ordinary Portland Cement (OPC)
- Portland Pozzolana Cement (PPC)
- Portland Slag (PSC)
- Composite Cement (CC)
- Ground Granulated Blast-furnace Slag (GGBS)
- Sulphate Resistant Cement (SRC)

Our product mix
(%)



We have come a long way

Over the years, our robust strategy and focus on value-creation have helped us achieve several milestones.

1985

Plant commissioned with 200 TPD kiln four-stage preheater technology.

1993

Installation of separate line calciner with five-stage pre-heater and jaw crusher

1996

Additional cement mill and tertiary crusher

1998

Installed a KIDS cooler, which is a clinker inlet distribution system

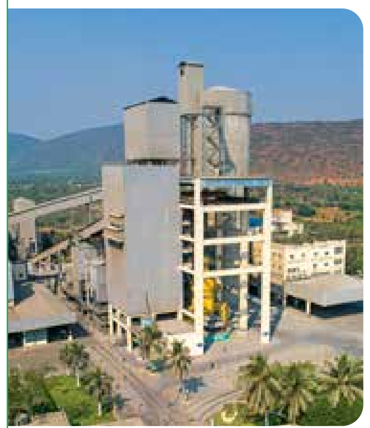
2008

Reached 2.75 MTPA capacity

2015

Acquired BMM Cement having 1.0 MTPA capacity

2016



0.30 MTPA Acquired Bayyavaram unit

2017

Bayyavaram capacity ramp up by 1.20 MTPA making total 1.5 MTPA

Commissioning of WHRS 8.80 MW and 1.25 MW solar power

2019

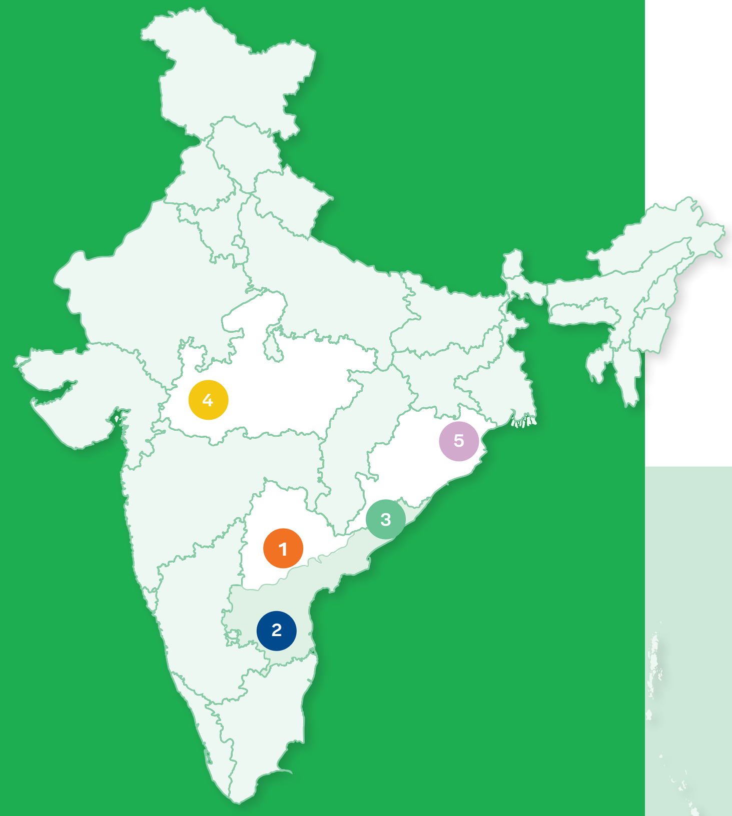
65% stake in Sagar Cements (M) Private Limited, MP, and 100% stake in Jajpur Cements Private Limited, Odisha

2022

Commissioning of 1.0 MTPA integrated plant, at Jeerabad near Indore 1.5 MTPA grinding unit at Jajpur in Odisha

Expanding our presence

We are present in five operational locations, which include our grinding units and our recently commissioned units at Jeerabad and Jajpur in Madhya Pradesh and Odisha, respectively.



1 Mattampally, Telangana

3.0 MTPA
Capacity

54%
Capacity utilisation

28.13 MW
Captive power

18.00 MW
Thermal Power

10.13 MW
Green energy

401.28 MnT
Limestone reserves

Andhra Pradesh, Telangana, Tamil Nadu, Odisha, Maharashtra
Markets served

2 Gudipadu, Andhra Pradesh

1.25 MTPA
Capacity

74%
Capacity utilisation

25 MW
Captive power

25 MW
Thermal Power

160.93 MnT
Limestone reserves

Andhra Pradesh, Karnataka, Tamil Nadu
Markets served

3 Bayyavaram, Andhra Pradesh

1.5 MTPA
Capacity

61%
Capacity utilisation

8.42 MW
Captive power

8.30 MW
Hydro Power

120 KW
Solar Power

Vizag, Srikakulam, South Odisha
Markets served

4 Jeerabad, Madhya Pradesh

1.0 MTPA
Capacity

62.82 MnT
Limestone reserves

5.3 MW
WHRS Power plant

Western Madhya Pradesh, Gujarat and Maharashtra (adjacent to Western Madhya Pradesh)
Markets served

5 Jajpur, Odisha

1.5 MTPA
Capacity

Central/ Coastal Odisha, Bihar, Jharkhand, West Bengal
Markets served

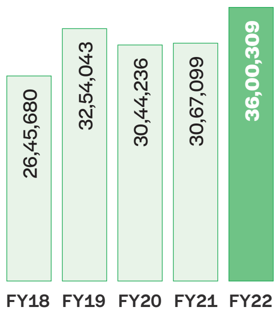
Resilient and resurgent performance

In FY2022, we continued to deliver a strong performance despite rising input costs, and a volatile market sentiment. We were also able to utilise our facilities more efficiently and create sustained stakeholder value.

Operational metrics

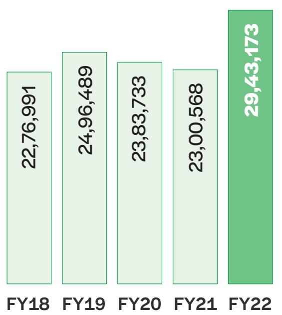
Cement production
(in MT)

17% ▲ 6% ▲



Clinker production
(in MT)

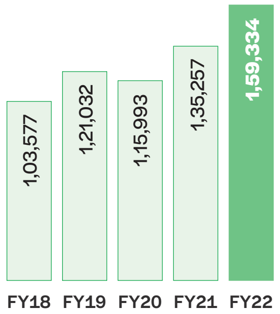
28% ▲ 5% ▲



Financial metrics

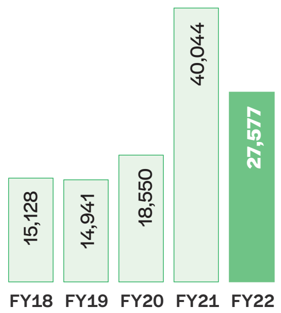
Net sales
(₹ Lakhs)

18% ▲ 9% ▲



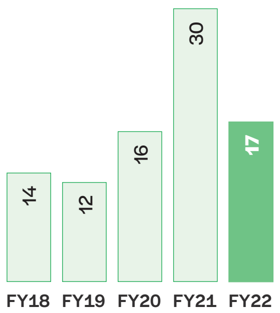
EBITDA
(₹ Lakhs)

(31%) ▼ 13% ▲



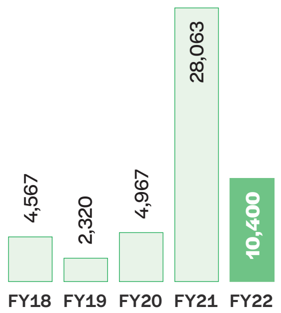
EBITDA margin
(%)

(42%) ▼ 3% ▲



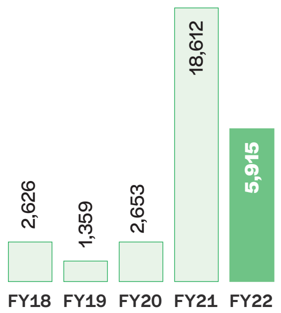
Profit before tax
(₹ Lakhs)

(63%) ▼ 18% ▲



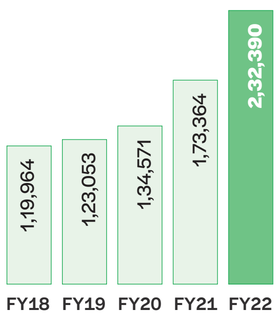
Profit after tax
(₹ Lakhs)

(68%) ▼ 18% ▲



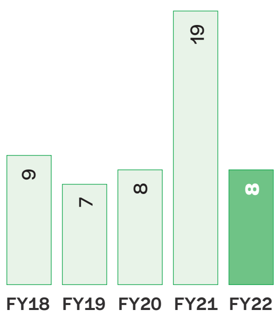
Average capital employed
(₹ Lakhs)

34% ▲ 14% ▲



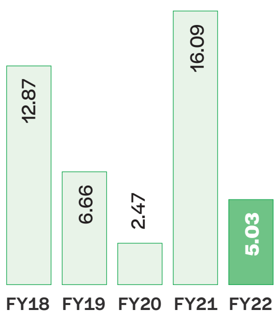
Average Return on Capital Employed (RoCE)
(%)

(55%) ▼ 0%



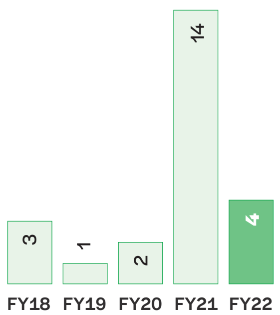
Earnings per share
(₹)

(69%) ▼ 14% ▲



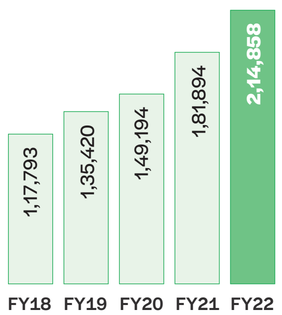
PAT margin
(%)

(74%) ▼ 8% ▲



Net fixed assets*
(₹ Lakhs)

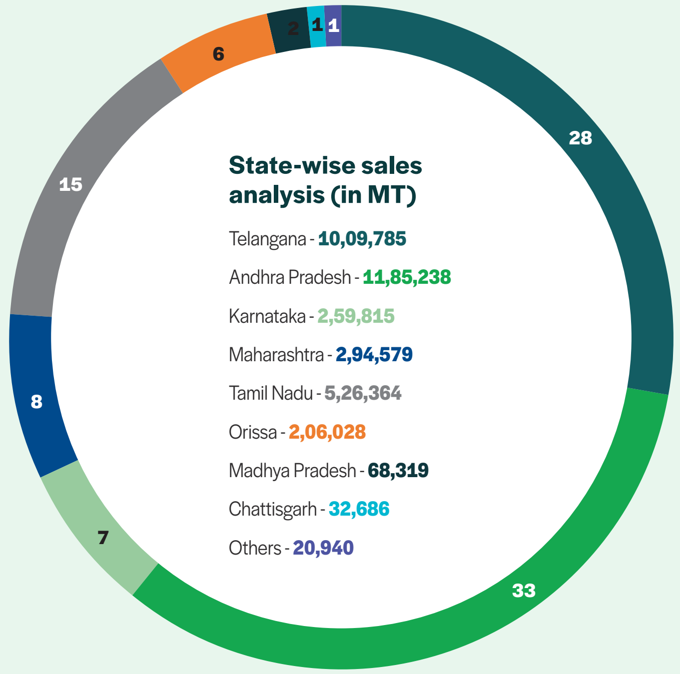
18% ▲ 13% ▲



* includes goodwill

▲ YoY growth ▲ 5-year CAGR

Consolidated State -Wise Sales
(%)



Direct economic value generated and retained 2021-22 (₹ Lakhs)

A Direct Economic Value Generated	
Gross Revenue from Operations	2,04,035
Other Income	1,342
Total	**2,05,377**
B Economic Value Distributed	
Operating Expenses (Excluding Employee Wages and Benefits)	1,28,504
Employee wages and benefits	8,555
Payment to providers of Capital	9,836
Payment to government	51,726
Total	**1,98,621**
C Economic Value Retained (A-B)	**6,756**
Profit Before Tax	10,400
Profit After Tax	5,915
Earnings Per Share	5.03
Financial assistance received from government	
Benefits received under State Investment Promotion	-

Opportunities and optimism

I am proud to say that this year saw us commissioning our greenfield projects in Madhya Pradesh and Odisha. Together, these increased our installed capacity by over 40%.

Dear Stakeholders,

I write to you at a time when the worst of the pandemic seems to be behind us, even though spurts in COVID-19 cases now and then make a case for practising caution.

Reviewing the external environment, I can say with fair optimism that we are poised for times of great opportunity. The mettle of organisations was tested during the pandemic, and the resultant reorganisation, digitalisation and overall preparedness of companies have set them up for accelerated growth in a buoyant market scenario. This is especially true for companies such as Sagar Cements, which continue to maintain a strong long-term value focus.

Reviewing the economic environment

In FY2022, the Indian economy is estimated to have grown by 8.9% (Source: NSO), a significant bounce-back in real terms compared to the last fiscal. This was enabled by strong government expenditure and the release of pent-up consumer demand. Projects under the National Infrastructure Plan (NIP) and initiatives, such as the Production Linked Incentive scheme, have reinvigorated economic activity, acting as force multipliers. However, the economy faces downside risks in terms of elevated inflation and higher fiscal deficit, which could push the Reserve Bank to move away from its accommodative stance.

Strong prospects for cement

The Union Budget has earmarked 35% more capex and proposed infrastructure spend of over ₹ 10 Lakh Crores during FY2023. This indicates a reinforced commitment from the government towards infrastructure growth, which augurs well for the cement industry. The government's plan to construct 25,000 km of highways and roads in FY2023, together with continued execution of projects under the Bharatmala Pariyojna (BMP) and other infrastructure programmes, are welcome developments for the industry.

On the retail and housing front, the Pradhan Mantri Awas Yojana (PMAY) is attracting strong focus. Further, following a resurgent real estate demand, new projects across a combined area of 450 million sq ft are expected to be launched during FY2022-24 in the top 10 cities in India.

With the strong growth across sectors and user industries, cement is expected to experience buoyant demand in the coming years. Industry players are, accordingly, announcing greenfield and brownfield projects, which are expected to capitalise on these encouraging prospects. The sector is also expected to witness mergers and acquisitions, with some room for consolidation.

While ripe with opportunities, FY2022 witnessed significant volatility in input prices, particularly with respect to fuel and this has narrowed the operating margins for players in the industry.

Sagar Cements in FY2022

Resilience and growth underlined FY2022 for Sagar Cements. On an annual basis, we were able to maintain an EBITDA margin of 17%, driven by our cost efficiency measures and operational excellence that helped us meet increasing demand. However, the margin was less compared to 30% a year ago, predominantly as a result of rising input costs.

I am proud to say that this year also saw us commission our greenfield projects in Madhya Pradesh and Odisha. Together, they increased our installed capacity by over 40%. The projects also assume significance from a strategic point of view, as they give us solid entry points to the Central and Eastern markets, which are ripe with opportunities. They are thus critical to our transition from being a predominantly South India-based player, to transforming into a more geographically diversified cement company.

ESG and climate action

One of the biggest realities of today is climate change, which needs immediate attention from everyone, especially those in core sectors, such as cement. The recently concluded UN Climate Change Conference in Glasgow (COP26), and preceding report by the Intergovernmental Panel on Climate Change (IPCC) portends a 'Code Red' for humanity and calls for concerted action across governments and across sectors. India has supported this mission and committed to Net Carbon Zero by 2070. At SCL, we are reducing our overall carbon footprint through structured initiatives, increased blending and are in the process of charting our own net zero roadmap. We are also charting stringent targets on various ESG parameters, which we believe will guide us towards improved sustainability as an organisation.

A future of opportunities

My outlook for the immediate and the long-term remains highly optimistic, with regards to India, the cement industry, and Sagar Cements, in particular. There are substantial opportunities for growth and impact, and we are well-placed to deliver on our strategy and commitments. In fact, in FY2022, in recognition of our continued performance, Premji Invest, the private equity and investment arm of one of India's largest philanthropic endowments, has acquired a 10% equity stake in our business.

I would like to take this opportunity to thank all our employees who have continued to raise the bar at Sagar Cements, and have helped us in realising our vision every day. I also express my sincere gratitude to all our investors, customers, partners, communities and other stakeholders, who continue to repose their faith in Sagar Cements and our journey.

Best regards,

K. Thanu Pillai
Chairman

Expanding our wings, responsibly

Dr. S. Anand Reddy
Managing Director

Mr. S. Sreekanth Reddy
Joint Managing Director

FY 2022 was a year of strategic growth for us at Sagar Cements. We could complete and commission our projects in Madhya Pradesh and Odisha, both of which add to our overall geographic presence, market access, production capacity and sustainability goals.

Dear Stakeholders,

At the outset, we would like to thank every one of you, who has stood with us in times thick and thin, and especially through testing times such as the pandemic. With your support, we continue to grow, deliver and create shared value for everyone.

FY2022 was a year of strategic growth for us at Sagar Cements. We could complete and commission our projects in Madhya Pradesh and Odisha, both of which add to our overall geographic presence, market access, production capacity and sustainability goals. The kickstarting of the plants at these locations also marks an important milestone in our journey to achieve our FY 2025 goal of hitting 10 MTPA in installed capacity.

FY 2022 was also equally a year of resilience. We can say with fair confidence that we had resurged with the market in the previous fiscal, and the journey continues, enabled by a buoyant demand scenario, and increased public expenditure. However, this year was marked by headwinds in terms of input costs, which tapered our profitability compared to a year ago. Through targeted cost measures, inventory management, and strategic sourcing, we were able to cushion the impact to the best possible extent.

Operational performance

- Volume growth of 14% over previous year
- 46% of cement produced belongs to the blended cement category

Plant		Capacity utilisation
Mattampally	Gudipadu	Bayyavaram
54%	74%	61%
Jeerabad	Jajpur	
29%	9%	

- 3.6 million tons of finished goods were transported by road while 0.0068 million tonnes of cement were moved via rail. Yearly lead distance factor stood at 294 km
- Additional cost impact from input prices
- Steps taken to lower cost of operation, such as using a mixture of petcoke and coal to mitigate pricing risks, reducing freight costs and improving margins through the completion of our plants in MP and Odisha

Financial performance

Financial performance was led by a buoyant environment, cost control, and efficiency improvement.

FY2021	FY2022
Revenue: **₹1,371 Crores**	**₹1,597 Crores** 16% ▲
Operating profit: **₹400 Crores**	**₹276 Crores** (31%) ▼
PAT: **₹186 Crores**	**₹59 Crores** (68%) ▼

Our net worth has increased 5X in the past Ten years.

ESG is central to everything we do

As an established player in the cement space, we understand the role we can play in mitigating carbon emissions in our value chain. Towards this end, we are progressively increasing the percentage of blended cement in our portfolio, which will reduce the amount of clinker per tonne of cement. This is enabled by our recent expansion into markets, which commonly use blended cement. Together with other initiatives, we are thus reducing our overall carbon intensity, which stood at 603.35 kg net CO_2/MT (Scope1) excluding onsite power.

Our state-of-the-art technology also enables us to reduce our overall stack emissions and waste, by re-directing our waste and wastewater into effective recycling. In FY2022, we also harvested 30% of rainwater received.

We continue to promote the interests of our communities that offer us our social licence to operate. Our involvement with our communities is one of meaning and trust, that goes beyond the construct of transactional CSR.

A future of transition and growth

As we look forward, we can say with reasonable confidence that our industry, and our Company, will significantly impact the way the future shapes up. The cement sector will continue to play a critical role in meeting India's infrastructure needs at the national, institutional, and retail levels. A sustained focus on sustainability will see more innovations and technology adoption that will lead the industry into low-carbon pathways, and contribute to the strengthening of a nation-wide circular economy. At Sagar Cements, we are aligned to these prospects, with our strategic priorities and ESG commitments guiding us in our journey.

As we continue to grow and deliver responsibly, we request your continued support.

Best regards,

Dr. S. Anand Reddy and S. Sreekanth Reddy

How we generate value

Our market-tested operating model continues to focus on optimal utilisation of capitals, continuously delivering value-accretive outcomes for our stakeholders.

Vision and Mission

Governance

Inputs

Financial capital

Equity: **₹ 2,350 Lakhs**

Debt: **₹ 1,50,335 Lakhs**

Retained earnings: **₹ 65,316 Lakhs**

Capital commitment as on 31st March, 2022: **₹ 7,386 Lakhs**

Manufactured capital

Number of Integrated cement plants: **3**

Number of grinding units: **2**

Total installed capacity of cement production: **8.25 MTPA**

Total installed capacity of clinker production: **4.75 MTPA**

Number of thermal power plants: **2**

Number of solar stations: **3**

Number of waste heat recovery plants: **2**

Total waste heat recovery capacity: **14.10 MW**

Total solar power capacity installed: **1.45 MW**

Total hydro power capacity: **8.30 MW**

Number of offices: **10**

Number of warehouses: **58**

Total value of net fixed assets: **₹ 2,14,858 Lakhs**

One of the lowest cost cement producers in India

Intellectual capital

Technology collaborations: **Taking collaboration as per development projects and as required**

Use of robotics in plant operations: **2 Integrated plants +2 Grinding Units**.

Total Investment in R&D: **₹ 78 Lakhs**

Digitalisation initiatives: **₹ 70 Lakhs**

Human capital

Employees: **2,603**

Total hours of training provided: **18,216 hrs**

People employed for >10 years within SCL: **318**

Employees belonging to local communities: **80%**

Social and relationship capital

Total CSR expenditure: **₹ 255 Lakhs**

Distributors: **2,244**

Natural capital

Total limestone mine reserves: **625.05 MnT**

Limestone mined: **3.97 MnT**

Total coal used: **0.37 MnT**

Freshwater withdrawal: **1,61,440.60 kL**

Direct energy consumed at kilns: **8,054.26 TJ**

Indirect energy consumed: **56,211.80 Mwh**

Solar power consumed (net): **1,594.307 Mwh**

Thermal substitution rate: **3.76%**

Fly ash consumed: **0.37 MnT**

Gypsum consumed: **0.11 MnT**

Slag consumed: **0.34 MnT**

Activities

Strategy and resource allocation

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

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

Outputs

19,24,236 MT
Ordinary Portland Cement (OPC)

11,42,686 MT
Portland Pozzolana Cement (PPC)

3,60,585 MT
Portland Slag Cement (PSC)

19,320 MT
Sulphate Resistant Cement (SRC)

51,733 MT
Composite Cement(CC)

1,01,749 MT
Ground Granulated Blast Furnace Slag (GGBS)

29,43,173 MT
Clinker Produced

38,29,193 MT
Cementitious Produced

Emissions

SOx: **0.14 Kg/MT**

NOx: **0.94 Kg/MT**

Dust: **0.052 Kg/MT**

GHG: Cementitious Material

Scope 1 excluding on site power: **603.35 kg net CO_2/MT**

on site power generation - **64.86 kg net CO_2/MT**

Scope 2: **12.72 kg net CO_2/MT**

Scope 3: **22.15 kg net CO_2/MT**

Solid waste

Steel scrap: **1,141 MT**

Tyres, oils, grease, and others: **123 MT**

Liquid waste

Zero Effluent discharge: **0**

Performance

Risk management

External environment

Outcomes

Revenue: **₹ 1,59,687 Lakhs**

EBITDA: **₹ 27,577 Lakhs**

PAT: **₹ 5,915 Lakhs**

ROE: **5%**

RoCE: **8%**

EPS: **5.03**

Dividend declared: **35%**

Capacity utilisation: **58%**

Plant availability: **100%**

Increase in the production of high-margin products: **4%**

Key process improvements achieved during the year: **Improved TSR ratio, improved blended cements volume.**

Cost savings from digitalisation: **In implementation**

LTIFR: **0**

Fatalities: **0**

Number of safe man-hours: **40,55,113**

Per-tonne productivity per employee: **1,403**

Employee retention rate: **90%**

Employees promoted: **175**

Beneficiaries of CSR activities: **42,000+**

Vendors engaged with: **944**

Customer complaints resolved: **100%**

Credit rating: **IND A/RWE**

Contribution to the exchequer: **₹ 51,726 Lakhs**

Wastewater recycled: **39,332 kL**

Waste heat recovered: **42,863 MWh (Mattampally)**

Solid waste recycled: **8,48,167 MT**

Waste to landfill: **0**

Strong with Stakeholders

Our growth, market success and operations are enabled by a wide group of key stakeholders. We proactively engage with each of them, continuously address their concerns and focus on delivering value aligned to their expectations.

EMPLOYEES
- Townhalls, newsletters, social events, surveys
- Career growth, training, safety, work life balance
- Compensation, career development, health and well-being

REGULATORS
- Meetings, presentations, reports
- Compliance, reporting transparency, ESG disclosure
- Through direct and indirect taxes, thereby contributing to the economy

CUSTOMERS
- Exhibitions, sales calls, site visits
- Cost, quality, consistent supply, troubleshooting
- Producing quality cement at competitive prices

MEDIA
- Press releases, news, interviews
- Information sharing
- Access to information and communications

INVESTORS
- AGM reports shareholder meets
- Company performance, financial health, RoI
- Delivering above average RoI through dividend and share value

COMMUNITIES
- CSR events, volunteering
- Sustainable livelihood, health, education, community infra
- Generating employment opportunities and helping in reducing migrant movement

SUPPLIERS & VENDORS
- Phones, emails, Supplier meets
- Vendor approval, pricing and payment terms, compliance
- Demand for products and services

Engagement Mechanism

Key Concern

SCL's ability to create value

Value-delivered summary

PROVIDERS OF FINANCIAL CAPITAL

35%

Dividend

Delivering higher return on investments (RoI) through dividends and share value appreciation

CUSTOMERS

OPC, PPC, PSC, CC, GGBS and SRC

Types of cement produced

Helping customers with their construction needs by producing quality cement of various grades at reasonable prices

INFLUENCERS

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

EMPLOYEES

We create value for our employees by competitive compensation, learning and development, occupational health and safety

18,216

Training hours

2,719

Training participants

6.70

Average training hours

ENVIRONMENT

We are continuously working to reduce our impact on the environment

14.64%

Alternate/Green fuel consumption

25.66%

Green Energy

COMMUNITY

We deliver back to society through employment generation, CSR initiatives and infrastructure support

42,000+

CSR beneficiaries

₹255 LAKH

CSR expenditure

SUPPLIERS

8,616

Active Vendors

Healthy industry relationships ensure uninterrupted supply chain that meets all of SCL's raw material requirements in a mutually beneficial business model

REGULATORS AND POLICY MAKERS

₹51,726 LAKHS

SCL contributes to the country's infrastructure development, in addition to paying direct and indirect taxes

CHANNEL PARTNERS

944

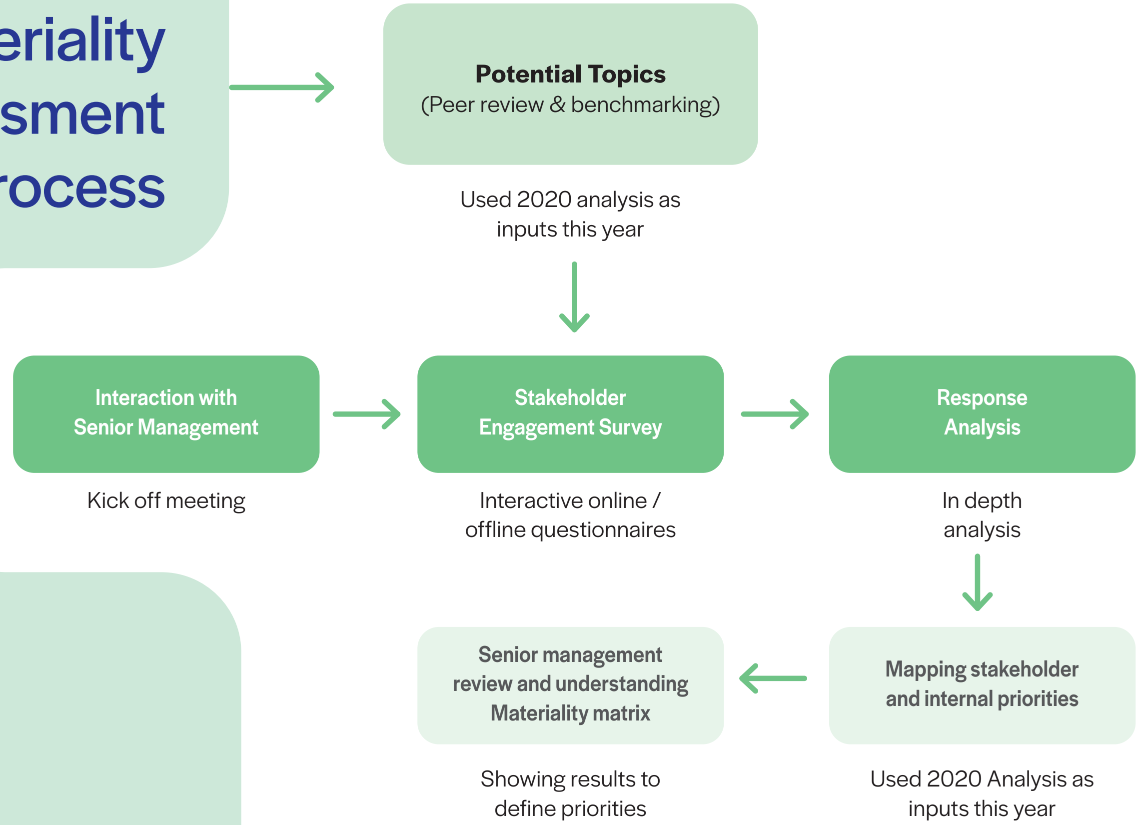
Vendor engagements

SCL provides excellent business opportunity to its channel partners

What matters most to us

We undertook a full-fledged materiality assessment in FY2021, the results of which continue to be relevant at present. The identification, prioritisation, finalisation of our economic and ESG material issues, and drawing up of the resultant matrix, were carried out after peer benchmarking, stakeholder consultations, and management review. The critical material issues are those that have a significant bearing on our ability to create value.

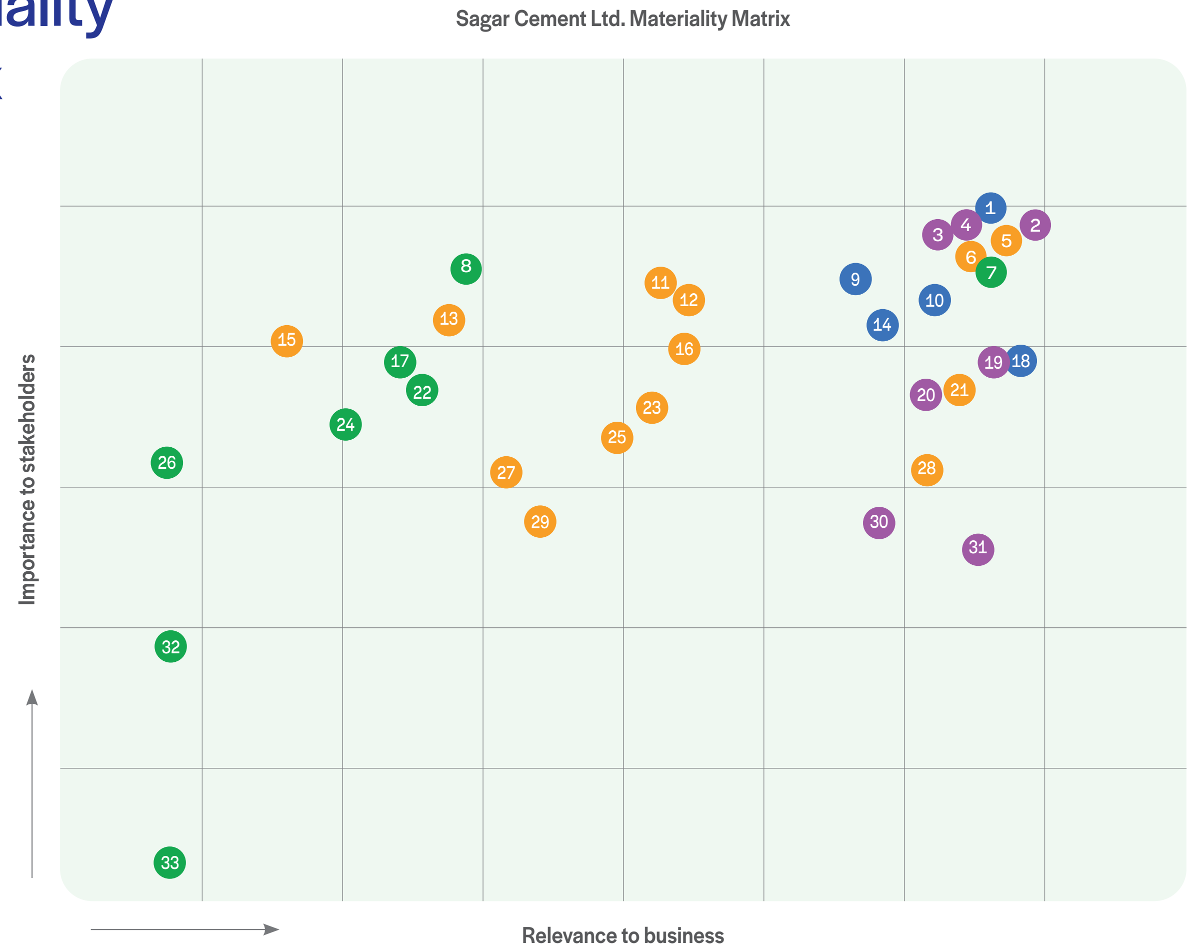
Materiality assessment process



Stakeholder dialogue

The materiality assessment is important for us as it helps us understand the issues that concern our stakeholders, both internal as well as external. It helps in defining our organisational priorities. The materiality matrix was developed after taking into consideration the views of all our stakeholders and management.

Materiality Matrix



Material Topics

1. Economic performance and profitability
2. Order fulfilment
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

Environmental | Social | Governance | Economic

What powers us ahead

We have invested in the latest technologies, the right people, and practices, to build up a strong supply chain and acquire efficiencies that give us a competitive edge, and consolidate our market presence. Four decades since our inception, we remain young, ambitious, and eager to capitalise on our strengths to strategically grow our share of the domestic market.

Jajpur, Odisha - Plant

Ambitious

We have been doubling our capacity every decade since our inception in 1985. We have an installed capacity of 8.25 MTPA and are aiming to reach 10 MTPA by 2025. The capacity expansion will be the result of both, organic and inorganic growth.

₹ 24,082 LAKHS Capex for Greenfield

₹ 11,250 LAKHS Maintenance capex

Capacity expansion in FY2022

- **Sagar Cements (M) Private Limited:** SCL acquired a 65% stake in this 1.0 MTPA plant in Madhya Pradesh in May 2019. Commercial operations commenced during FY2022.
- **Jajpur Cements Pvt Ltd:** SCL acquired 100% stake in this 1.5 MTPA capacity grinding unit in Odisha in May 2019 for Commercial operations commenced during FY2022. With the commissioning of this unit, we expect to serve Odisha and markets in eastern India.

Roadmap to 2025

We are anticipating a growing demand in the construction industry, owing to the government's infra push, along with several policy decisions that boost the housing sector. This will result in a strong demand for cement across the country. With this outlook, we target to increase our production capacity to 10 MTPA by 2025.

In line with our sustainability vision, we have identified a clear roadmap to achieve net carbon zero in our operations. We have taken 2050 as our target year to achieve this, with significant reduction planned by 2030 as an interim milestone.

Technology-enabled

We are using advanced technology to produce quality cement at competitive rates, thereby creating an attractive value proposition for our customers. Our innovation muscle and constant emphasis on R&D are helping us bring unique products and solutions that meet the emerging needs of aware customers and an industry, trying to lower its carbon footprint.

₹ 430 LAKHS

Investment towards technology

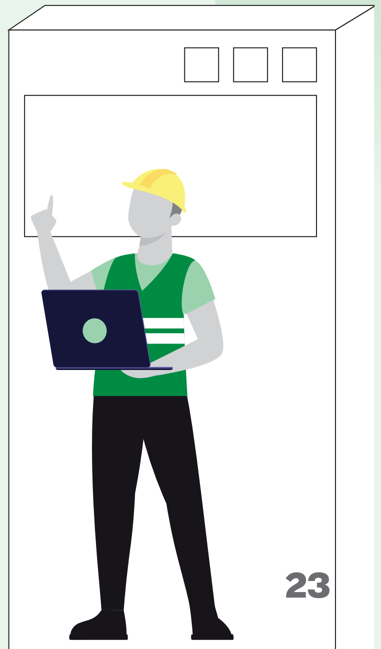
Concrete Labs

We set up the Concrete Lab in 2017 to create awareness about blended cement among our customers. The idea was to demonstrate that concrete made with blended cement is as durable as OPC and to emphasise the cost effectiveness and environmental benefits of blended cement, whose production enables us to save water, energy, raw materials and cut down on GHG emissions.

Other innovations to improve efficiencies:

- Air filter cleaning system to reduce dust
- Using water bottles and HDPE pipes to improve blasting efficiency

Jajpur, Odisha - Plant



Trusted relationships

We value the bond that we create with our customers, business partners, suppliers, people and communities. We believe the growth of the Company is inextricably linked to the well-being of our stakeholders across the value chain. We ensure a safe, diverse, and enabling environment for our people, invest in our relationships with our vendors and suppliers to generate greater trust and promote inclusive development through our CSR initiatives.

100%
Customer Satisfaction Score

80%
Repeat purchase rate

634
New Distributors

944
Vendors onboard

2,244
Number of Distributors

19,618
Total Customers
3% growth YoY in customer acquisition

Environmentally sensitive

At SCL, we have always given top priority to responsible manufacturing, and we carry out our operations sustainably, complying to all applicable rules and regulations. As a responsible corporate citizen, we have been following set targets to lower our carbon footprint through reduced greenhouse gas (GHG) emissions, more efficient water and waste management while taking initiatives to improve the biodiversity around our plants and operation sites. We use our resources judiciously and are increasingly using recycled/redirected material in our manufacturing operations.

25.66%
Green Energy Used

1.55%
Reduction in GHG emissions over FY2022

9,89,997
TONNES
Waste recycled

8,779
TONNES
(0.20%)
Alternate raw materials -in Kiln feed

28,238 MT
(7.29%)
(BY WEIGHT)
Alternate Fuels

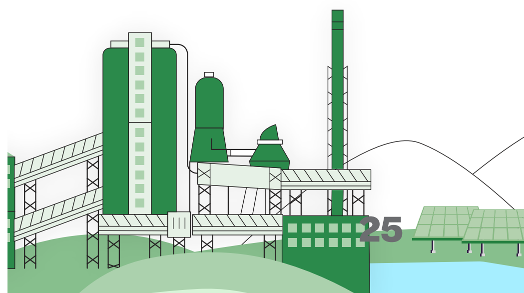
0.76
Clinker Factor

75.93 KWH / MT
Specific Electric Consumption

72,773 MWH
(26%)
Green energy

We have undertaken several initiatives to reduce our carbon footprint during the year:

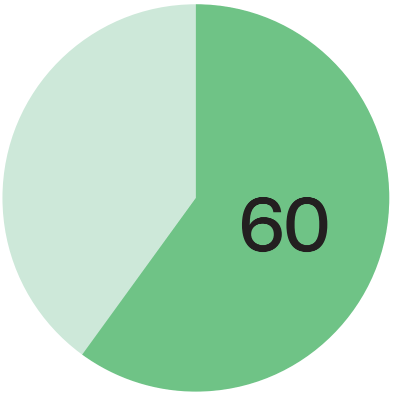
- Implementation of water conservation and regeneration projects
- Converting waste heat to energy
- Use of recycled plastic for cement bag manufacturing
- Increased use of renewables in the energy mix



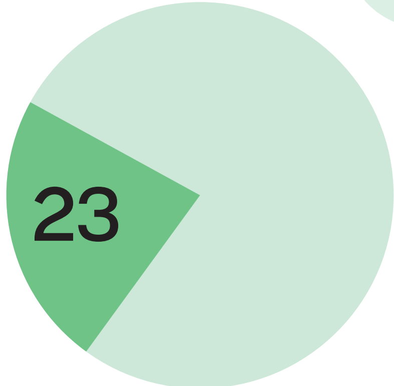
An improving opportunity landscape

India's cement industry is expected to grow appreciably over the next two-three years, given an exponential demand growth and limited new supply, leading to improved utilisation rate. As one of India's reputed cement companies, with a strong foothold in the fast-growing southern region of India, we are ready to make full use of this favourable growth environment.

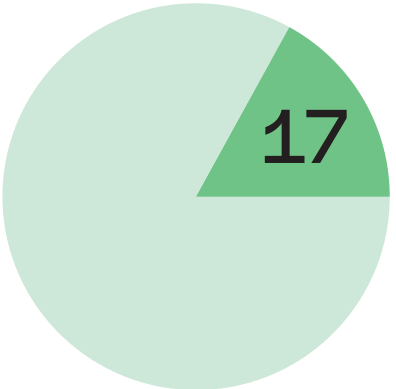
Cement Consumption*



Housing Sector
- Cement consumption
- Housing sector

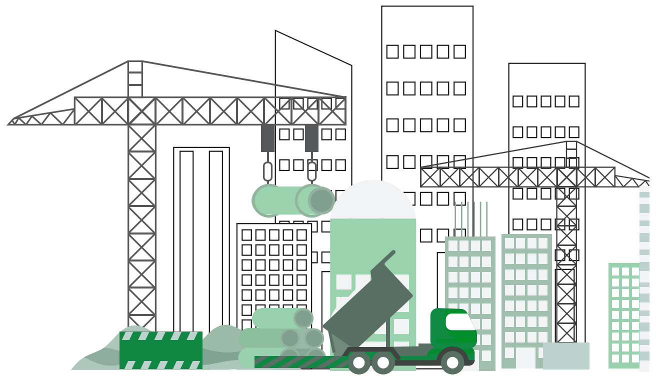


Infrastructure Sector
- Cement consumption
- Infrastructure sector



Industrial Construction
- Cement consumption
- Industrial construction

*Source: Systematix Institutional Research, Industry



Irrespective of the immediate situation, one factor that will continue to favour cement companies in India is the fact that cement consumption in the country remains way below the global average. This means there will always be sufficient headroom for growth. India is the second largest cement producer globally, with 7% of world's total installed capacity. Southern India holds the maximum production capacity with 33% share in total volumes. It is expected that strong demand from the housing and public infrastructure sector will boost cement consumption in the coming years.

Rapid urbanisation, preference for nuclear families leading to more housing demand, and a growing working age population with higher aspirational value, together with the government's push for infrastructure growth, are expected to drive demand for cement in India.

Infrastructure push

The Government of India has increased capex to push infrastructure growth and has a strong pipeline of projects related to transport, irrigation, sanitation and so on. Projects worth ₹ 111 Trillion will be through the National Infrastructure Pipeline (NIP). The Ministry of Road, Transport and Highways (MoRTH) has a target to construct 40 km national highway per day. Under the UDAN (Ude Desh ka Aam Nagrik) scheme, there are plans to develop 100 regional airports to improve connectivity to remote corners of the country. All metros today have a functional network, while newer lines are being added in a phased expansion. Regional Rapid Transit Systems (RRTS) is planning to provide high speed rail connectivity to smaller towns surrounding large metropolitan regions. These huge capital-intensive projects will create a sustained demand for cement in the coming years.

Housing sector growth

The government's emphasis on affordable housing will generate greater demand for cement. Growing urbanisation and constructions in suburban India will add to this demand growth. Data suggests that 39% of India's population will live in cities by 2030. A total of 11.4 million houses are to be built under the Pradhan Mantri Awas Yojana (urban), while 29.5 million will be built under PMAY (rural).

Apart from government schemes, organised real estate development has boomed in major metros along with tier II cities like Jaipur, Lucknow, Kanpur, Bhopal, Nagpur, etc. As the need for nuclear families gets stronger among the younger workforce, the preference towards owning independent houses contributes to the growth of real estate.

Product innovation

Growing consciousness about climate change and environment preservation is creating a demand for low-carbon intensity products. As evident, the demand for green cement or products that involve less use of natural resources such as coal, water, limestone, etc. is growing. There is also growing emphasis from investors as well as customers for carbon-negative manufacturing processes. Companies worldwide are investing in adopting technology and innovation to produce eco-friendly cement.

Industry players are also seeking to diversify their energy mix and use renewable energy. Cement is majorly dependent on coal availability as thermal energy is used substantially in the production process. As fossil fuels dwindle, and concerns increase in the pollution caused by the use of these traditional energy sources, companies are transitioning from a fossil fuel-based energy mix to renewable energy, generated from wind and solar photovoltaics (PVs).

Instituting best practices

At SCL, we understand that effective corporate governance and keen oversight on ESG parameters ensure our ability to create enduring value for our diverse stakeholders. Our governance philosophy is based on values that promote fairness, transparency, and equity. Governance at SCL is backed by strong policies and guidelines.

Our experienced and able Board members lead the business provide overall strategic direction to the Company and ensure ethical business conduct. We are proud to have a strong women representation on our Board. We believe a diverse Board strengthens governance, by bringing to the table multiple perspectives, varied skills, and expertise.

Board composition

3 Women in the Board	**37.5%** Independent Directors

Code of Conduct

We are committed to adhering to all applicable rules and regulations, laws of the land and compliance guidelines, to ensure that the highest standards of business ethics are maintained. We are trained to deal with responsibility, utmost honesty, and integrity. Our Code of Conduct guidelines are not limited to our Board and employees, but also extend to our business partners, and govern not only our business dealings, but also our interaction with the communities, and the environment we operate in.

Balancing risks and opportunities

We have a well-established Risk Management system that tracks, targets, and mitigates existing and emerging risks.

Guiding principles

At SCL, risk management is guided by a set of principles that ensure that the procedure abides by the following parameters:

Shareholder value based

Risk management will be focused on sustaining the creation of shareholder value and protecting the same against erosion.

Embedded

Risk management will be embedded in existing business processes to facilitate management of risks across processes on an ongoing basis.

Supported and assured

Risk management will provide support in establishing appropriate processes to manage current risks appropriately, and assure the relevant stakeholders over the effectiveness of these processes.

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 across the organisation. In the top-down approach, the principal 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.

Risk governance framework

Board of Directors

Audit Committee

Compliance Team

Human Resources

Finance and Taxation

Plant Operations

Secretarial

Other Functions

Our Risk Team is headed by the JMD/CFO, and comprises all heads of processes, together with the Company Secretary. The team reviews the day-to-day risks of the organisation and conducts a risk review meeting once a quarter to analyse the effectiveness of risk mitigation plans. Following the evaluation, new set of risks can be identified and their mitigation strategy is decided.

A report on the status of the 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, are also presented to the Board of Directors on an annual basis.

Risk Management process

An effective risk management process requires consistent assessment, mitigation, monitoring, and reporting of risk issues across the length and breadth of the enterprise. Essential to this process is a well-defined methodology for determining the corporate objectives and strategy. At SCL, this entire process is aligned with the 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.

Three-step risk management process:

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

Classification of risks

We have classified our risks under four categories – 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 them, and mitigating their impact.

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

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 risks that may impact the strategic focus and future of the organisation.

Stakeholders

The stakeholders of an organisation usually comprise its employees, shareholders, customers, suppliers, business partners, the community in which it operates, and the government (including regulatory bodies). This category, therefore, covers the risks related 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, which 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 related to the manner in which a corporate 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

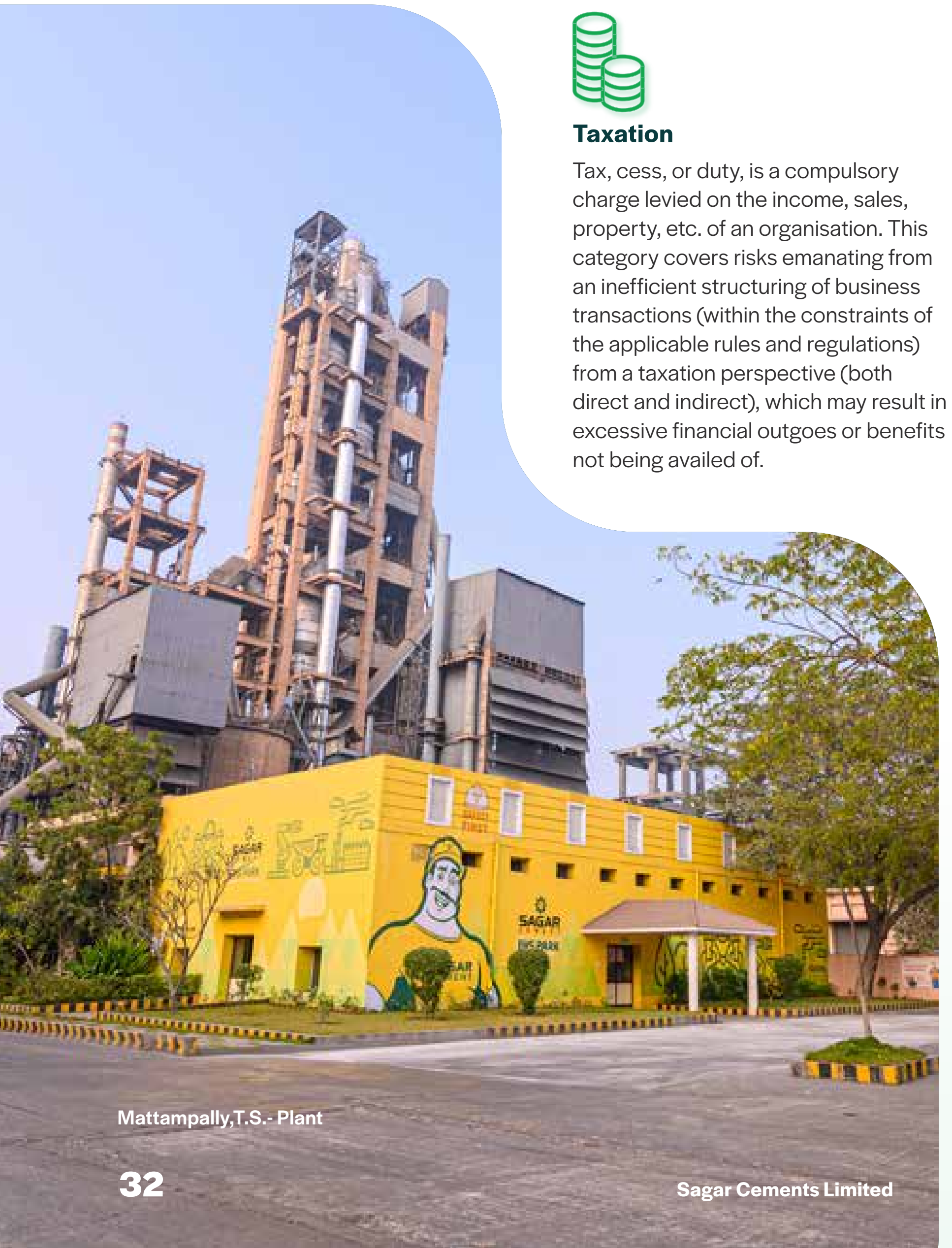
Capital signifies the monetary resources an organisation requires to sustain its operations, and fuel its future expansion. This category covers risks that may impact the organisation's ability to acquire an appropriate and cost-effective mix of such resources, in line with its requirements.

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 cover 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 would include risks emanating from adverse commodity price changes, exchange rate movements, and interest rate change.



Mattampally,T.S.- Plant

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 of.

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 would cover risks that an organisation may face in the event of a fraud or error, with or without collusion with external parties.

Exchange rate fluctuations

The Company's business activities, inter alia, include import of materials, such as coal and pet coke, and capital equipment, such as machineries for mining, cement manufacturing, power generation plants, etc. 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 the resources and processes, which come together to create products and services that satisfy customers and help achieve the organisation's quality, and cost & time performance objectives.

Assets

The assets of the organisation are the physical and intellectual resources available to it, which 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, equipment, IT systems, and intellectual property.

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, etc.

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.

Information and knowledge

While running its 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.

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 organisational structure, inadequacies in training and development of employees, attrition, inadequate succession planning, and lack of requisite knowledge, skills, and attitude in the employees, which may impact the successful execution of the organisation's business model, and achievement of critical business objectives.

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 obligations, arising out of the legal agreements entered 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, which may arise on regulatory non-compliance.

Conscientious environmental stewardship

As a responsible corporate citizen, we are constantly trying to mitigate our environmental footprint by following set targets to reduce our emissions and resource dependence, while efficiently managing our waste and water use. We run zero liquid discharge operations, and are increasingly using industrial waste as alternate fuel and materials in our cement production. We have installed WHRS in some of our plants, and are enhancing the use of renewables in our operations.

Net Zero by 2050

Emissions Targets near & long term	FY2022	FY2030	FY2050
Kg net CO_2/MT of cementitious material			
Scope 1 including on-site power	668.22	495.00	Net zero by 2050
Scope 2	12.72	8.00	
Scope 3	22.15	15.50	
Total	703.09	518.50	

Bayyavaram, AP-Plant

Emissions

We have been successfully reducing our emissions over the last five years. Our GHG emissions arise mainly from our limestone-based cement manufacturing process, power generation, and other activities, such as logistics. We continue to invest in the latest and advanced technology solutions to bring down our overall GHG emissions. We conduct periodic maintenance schedules for all our processes to improve their efficiency.

Carbon emissions in the past three years (tCO_2e)

Year	FY2022	FY2021	FY2020
Scope 1	24,39,571	18,84,489	20,30,741
Scope 2	46,452	44,541	74,012
Scope 3	80,852	69,450	72,981
Total	**25,66,875**	**19,98,480**	**21,77,734**

GHG emission intensity (tCO_2e/ton cement eq)*

Year	FY2022	FY2021	FY2020
GHG emission intensity	0.703	0.701	0.769

0.14 Kg / MT
SOx Emission

0.94 Kg / MT
NOx Emission

0.052 Kg / MT
SPM

*including Scope 1, 2 and 3

Measures taken to reduce GHG emissions:

- Increased use of alternate fuels to reduce dependence on fossil fuels
- Installation of energy efficient equipment to control energy intake
- Reduction of clinker factor year-on-year
- Opting for rail transport to help reduce road transport of logistics and supplies, thereby resulting in fuel savings
- Regular maintenance of fleet vehicles

We also have advanced systems that manage our stack and air emissions that include dust, and oxides of nitrogen and sulphur.

Dust, NOx, SOx emission reduction measures:

- Replaced conventional filter with Polytetrafluoroethylene (PTFE) filter
- Installed Reverse Air Bag House (RABH) for main stack to handle kiln and raw mill gases
- De-dusting and proper coverage of cargo

Water management

Cement is a water intensive industry. We thus make conscious efforts to reduce our water consumption at all levels. We have been gradually reducing our water usage over the last decade, and have already reduced our dependence on freshwater withdrawals through measures such as rainwater harvesting at our plants, and nearby communities. We also proactively undertake initiatives towards groundwater recharge.

Our water strategy:

- Zero liquid discharge from our operations
- Rainwater harvesting at plant locations, offices, and nearby communities
- Upgradation of water filtration plant

1,61,441 KL
Freshwater withdrawal

39,332 KL
Wastewater recycled

100%
Industrial water requirement met from harvested rainwater

Zero
Liquid discharge

91 Litre /Tonne
Cementitious material specific water consumption

Water use at SCL (KL)	Quantity consumed in		
Source of water	FY2022	FY2021	FY2020
Harvested water	1,73,781	1,34,218	1,34,390
Bore well	1,61,441	1,77,246	1,93,178
Total water	3,35,221	3,11,464	3,27,568
Cement production	34,70,968	30,67,099	30,44,236
Specific water consumption (kL/t of cement)	0.10	0.10	0.11

Waste management

At Sagar Cements, we dispose our hazardous and non-hazardous waste responsibly, and as per norms prescribed by law. We also utilise waste generated by other industries as a feed to our operations, thereby achieving resource optimisation, and minimising waste generation. 3,57,997 MT of fly-ash and 9,89,997 MT of by products / waste from other industries was used in this year. Waste such as fly ash, slag, gypsum, oil and metal scrap are also disposed in a responsible manner with zero hazardous waste sent to landfills.

Waste disposal

Total hazardous waste disposed

Type of waste		Unit	FY2022	FY2021	FY2020
Waste lubricant oil	Generated	L	40739	27,740	37,279
	Consumed	L	21501	22,210	28,879
	Sold	L	19238	5,530	8400
Waste grease with cotton waste	Generated	KG	8030	6,442	5363
	Consumed	KG	2980	2970	1,403
	Sold	KG	5050	3472	3960
E-waste	Generated	KG	2057	401	231
	Disposed	KG	2057	401	167

Total Non-hazardous waste disposed

Type of waste	Unit	FY2022	FY2021	FY2020
Metal Scrap	T	1141	334	739
Belt Scrap	T	10	7	60
Office, In-House Packing & Socked Cotton	T	2	0	10
Tyre Scrap	No	0	0	4
PP Scrap	T	65	45	50

Waste from other industries

Type of waste	FY2022	FY2021	FY2020
Red Mud	6,834	9,336	
Bed Ash from CPP	1,398	3,204	
Blast Furnace Slag - Dry	3,06,313	2,48,980	1,57,414
Chemical Gypsum	1,02,350	76,530	
Fly Ash from CPP	42,069	32,720	
Fly Ash Outsource	3,15,925	2,53,893	2,52,506
Blast Furnace Slag - Wet	34,771	49,871	
Iron Sludge	1,945	2,441	
Alternate Fuels	28,193	17,835	
Spent Carbon	8,369	6,921	3,950
Carbon Black	0	835	2,010

Zero
Hazardous waste to landfill

Industrial Waste Utilised

3,57,994 MT
Fly ash consumed

3,41,084 MT
Slag used in Cement production

1,08,366 MT
Gypsum Consumed

1,82,553 MT
Other Waste

9,89,997 MT
Total Waste Utilised

Energy Efficiency

Reducing dependence on fossil fuels as energy source has been one of our top priorities over the years. We have progressively increased our consumption of green energy. 1.25 MW and 130 KW solar plants are in operation at our Mattampally and Bayyavaram locations, respectively. We have also implemented WHRS of 8.80 MW at Mattampally & 5.30 MW at Jeerabad. A 80 KW solar roof panel is operational at our corporate office.

2,83,593 Mwh
Total Energy consumption

75.93 Kwh/ton
cementitious Material

27,630 Mwh
Hydro Energy Generated

26%
Green Energy Consumption

1,594.31 Mwh
Solar Power Consumption

6,349 Mwh
Wind Energy Generated
(From Group Companies)

42,863Mwh
Waste Heat Recovered

Biodiversity

We conduct biodiversity assessment at all our plant locations to gauge the volume of flora and fauna that could get possibly impacted by our operations. After mine closure, we plant native species with a view to restore the natural ecosystem. We also routinely conduct awareness sessions among local communities about biodiversity conservation. As a part of sustainable mining practices, we employ controlled blasting to contain dust, noise, and emissions.

5
Green Belt Sites

204.34 acres
Green Cover at the sites

Enabling rewarding careers

We owe our continued success over the past four decades to the passion and commitment of our people. We provide them an open, fair, and equitable work environment that creates opportunities for personal and professional growth.

Our people are our greatest asset and have inspired us to maintain our strong growth trajectory. Their health, safety, well-being, satisfaction, and career growth are of extreme importance to us. We ensure they have a rewarding journey with us at SCL.

We have a diverse workforce and ensure there is no discrimination on grounds of geography, gender, religion, ethnicity, and sexual orientation. This principle applies to our contractual staff as well.

2,603
Total number of employees

265
New hires in FY2022

90%
Employee retention ratio in FY2022

Training and development

A trained and skilled workforce brings in professional attitude and improved performance efficiency. Our employees are expected to undertake several trainings and workshops to remain in line with the ever-evolving industry practices. Some of our skill-based programmes include:

- Trainings in energy, environment, and waste management
- Training on energy and utility management by CII
- Onsite safety training conducted by the National Safety Council team
- Training on safe operations of power plant
- Training on operating solar and WHRS plant
- CII training on waste management process

Bayyavaram, A.P. - Plant

Highlights of FY2022

18,216
Total training hours

768
Employees trained

200
Safety trainings conducted

835
Safety induction sessions

People profile

New hires by age and gender

Age group	Male	Female
<30	97	1
30-50	145	2
>50	19	1

Employee attrition by age and gender

Age group	Male	Female
<30	40	0
30-50	56	1
>50	28	1

Employee strength by age and gender

Age group	Male	Female
<30	130	0
30-50	608	6
>50	182	1

Management profile by gender

Age group	Male	Female
Junior Management	811	7
Middle Management	107	0
Senior and Top Management	30	0

Board Strength by age and gender*

Age Group	Male	Female
<30	0	0
30-50	1	1
>50	5	2

* As on May 11, 2022

Work-life balance and human rights

Our fair payment policy ensures competitive salaries as per industry standards to both, permanent as well as contractual staff. Employees also enjoy accidental insurance, term insurance, Mediclaim, gratuity, and leave encashment privileges during their tenure at SCL. We strive to elevate the living standards of all our staff by providing them adequate resources.

Health and safety

Health and Safety continues to be a core material issue for us. We ensure 100% usage of safety gear for our staff working at our manufacturing locations. All our sites and offices are disinfected regularly. Periodic checking of machinery is conducted to identify any safety hazard. We also conduct Hazard Identification and Risk Assessment (HIRA) to evaluate opportunities for the prevention of accidental injuries. A team of medical professionals are present on standby 24x7 to attend any medical emergency. All employees are expected to mandatorily undergo safety training as part of the induction process.

Occupational Health and Safety	FY2021-22
LTI Mattampally	0
LTIFR	0
Fatalities	0
First Aid	32
Near Miss Incidents	98
Safe Man Hours	40,55,113

* As on May 11, 2022

Zero
Fatalities

98
Near misses

40,55,113
Safe manhours

2,603
Employees are covered under social security schemes

A value chain of win-win

We have been a dominant and integral part of the cement value chain in our areas of operation for decades. Through our empathetic, value-based partner/ distributor/supplier relationships, we have been able to turn these ties into a strong competitive advantage. We are helped by our strong brand identity, which is associated with quality and trust, and ensures a strong connect with our customers and value-chain partners.

Sustained customer experience

Despite the challenges during FY2022, we grew our customer base by 3% during the year.

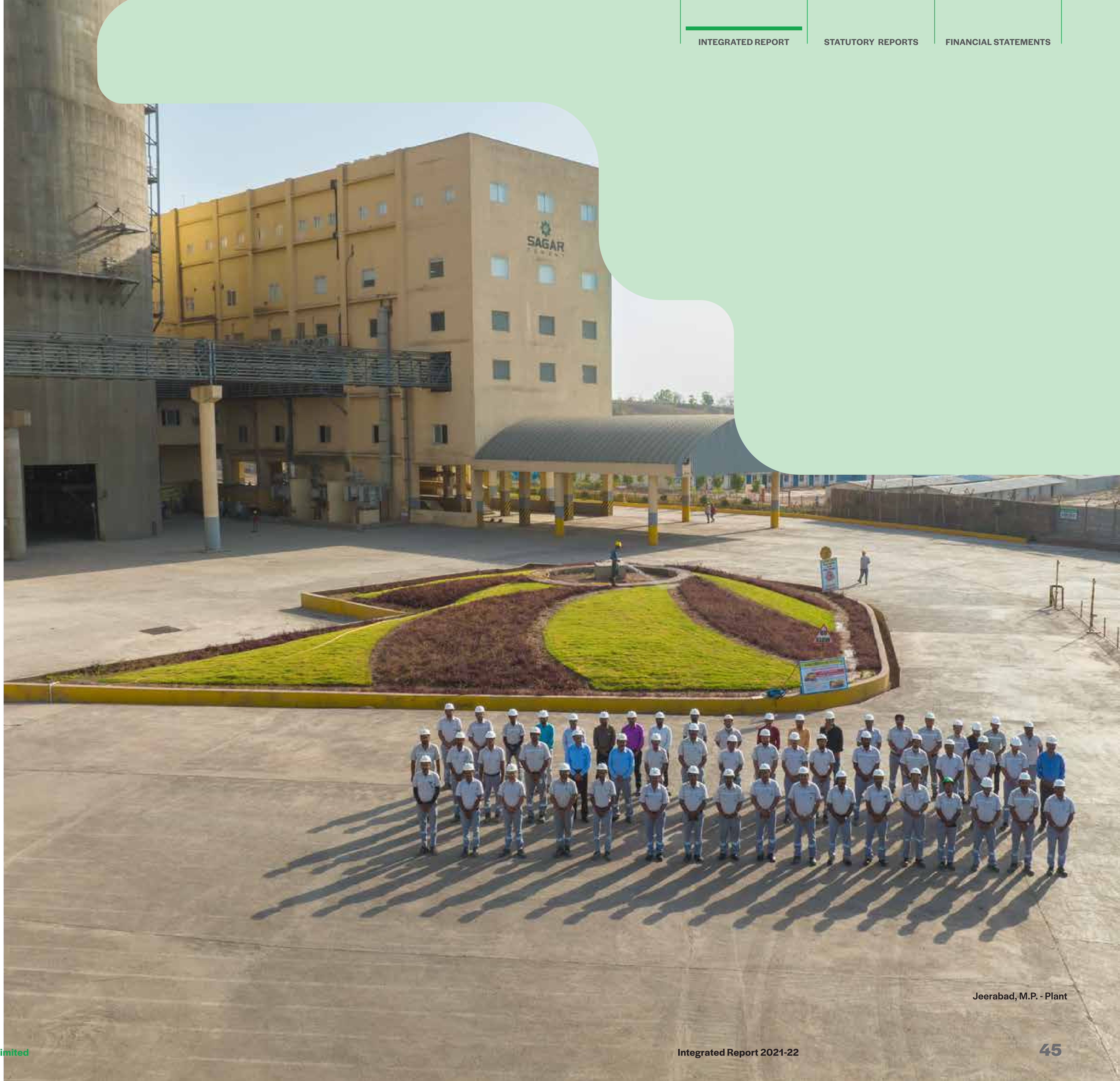
Customers	FY2022
Customer Satisfaction Score	100%
Customer complaints resolved	100%
Customer acquisition	
Customers	19,618
YoY growth of customer base	3%
Order fulfilment	100%
Stock-outs	0
Average fulfilment rate	100%

Strong connect with channel partners

During the year, we further invested to deepen our relationship with our business partners and helped onboard hundreds of new vendors, while increasing our distribution muscle through the addition of 634 distributors.

Vendor engagement	FY2022
Vendors / Suppliers onboarded to ERP system	944
Distribution presence	
New distributors	634
Transport and logistics	
Average Lead Distance	294 KM
Road accidents	0

Supplier engagement	FY2022
Quality and reliability of suppliers	
Suppliers	8,616
Average supplier availability	95%
Supplier defect rate	2%



Jeerabad, M.P. - Plant

Promoting shared growth

We are expanding the scope of our CSR initiatives each year to serve our communities better. Many initiatives are undertaken in the areas of healthcare, education, livelihood generation, and infrastructure development.

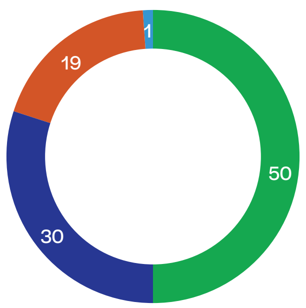
Here's how we are making a difference:

- Facilitating drinking water supply by providing RO water purifiers. We are also supporting and creating irrigation facilities
- Construction of public toilets
- Providing skill development programs to graduate students to increase their employability
- Helping educational institutions by providing learning material, sports equipment, etc.
- Distribution of garbage bags and dustbins as part of Swachhata hi Seva campaign
- Constructing concrete roads and installing streetlights to support infrastructure development in villages

₹ 255 Lakhs
CSR spend for FY2022

42,000+
CSR beneficiaries

CSR spending FY 2022 (%)



- **50%** Preventive health care and promotion of safe drinking water
- **30%** Rural development
- **19%** Training and education
- **1%** Training and promotion of sports

Enriching with experience and insight

The able Board members at SCL help us navigate a dynamic business environment and collectively ensure the Company is ethically managed, professionally run, and abiding by its commitment to generate value for its stakeholders.

1 2 3 4 5

6 7 8 9 10

1 Shri. 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 Shri. V.H. Ramakrishnan
Independent Director

V. H. Ramakrishnan has extensive experience spanning over 36 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, and 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 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 Mrs. O. Rekha
Independent Director

Mrs. O.Rekha holds a B.Com degree from Osmania University and an 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 Smt. N. Sudha Rani
Nominee Director

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

5 Shri Madhavan Ganesan
Nominee Director

Shri Madhavan Ganesan holds a B.E. (Hons) Degree from BITS Pilani and MBA from IIM, Kolkata. He is having 35 years of experience in different fields as Business Leader and Strategy Consultant in establishing and incubating new ventures; driving strategic growth and profitability of large business units; group strategic growth planning; managing international partner relationships and financing of ventures

* As on May 11, 2022

6 Dr. S. Anand Reddy
Managing Director

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 plants in Telangana. In 2008, he was appointed as the Joint Managing Director and later as Managing Director in 2018.

7 Shri. S. Sreekanth Reddy
Joint Managing Director

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 Joint Managing Director. During his tenure, SCL grew its capacity from 1.32 Lakhs TPA to 82.50 Lakhs TPA and witnesses the adoption of modern technology in all areas of its operations.

8 John-Eric Bertrand
Non-executive Director

John-Eric Bertrand is co-CEO of Ackermans & Van Haaren. AvH is a diversified listed group focused on a limited number of strategic participations. 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.

9 Jens Van Nieuwenborgh
Alternate Director

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 Director 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.

10 Smt. S. Rachna
Non-executive Director

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

Executing with passion and promise

At SCL, a team of astute professionals at the helm, helps guarantee our operational excellence and delivery performance.

Dr. S Anand Reddy
Managing Director

Dr. S. Anand Reddy brings with him a vast experience of more than 29 years. He has an M.B.B.S. degree from Nagarjuna University. He joined SCL as Director (Marketing and 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 Sagar Cements (M) Private Limited

S. Sreekanth Reddy
Joint Managing Director

S. Sreekanth Reddy brings with him more than 26 years of industry experience. He has a Bachelor's degree in Industrial and Production Engineering and a diploma in cement technology. He joined SCL in 2002 as a 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 36 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 and Accounts function of the Group. Has more than 26 years of experience. He is a qualified Chartered Accountant and also holds an M.Com. degree. He is associated 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 29 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 32 years of professional journey is as follows: Chambal Fertilisers & Chemicals Ltd, Orient Cement, Suzlon Energy, and SCL since 2008 onwards.

O Anji Reddy
Chief Sustainability Officer

O 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 37 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 41 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 and compliance functions of the Group. He is associated with the company since 1996.

In recognition of our efforts

Green Co Gold Certificate award from Confederation of Indian Industries (CII) for best practices at Mattampally Plant

Green Pro Award for Blended Cement Products

Green Co Platinum Certificate award from Confederation of Indian Industries (CII) for best practices at Bayyavaram Plant

National award for excellence in energy management 2020 by CII for Bayyavaram plant

National Energy Conservation Award, Cement sector 2021 by Government of India, Ministry of Power for our Bayyavaram Plant

Green Co Gold Certificate award from Confederation of Indian Industries (CII) for best practices at Gudipadu Plant

Sagar Cements Limited was Awarded with the Best Management Award, in appreciation of providing local employment and providing skill development trainings for local, newly qualified graduates at Mattampally unit, by Ministry of Labour, Government of Telangana.

Gudipadu Unit was Awarded with State Level and Zonal level overall 2nd prize for Mines Safety -2022, in appreciation of the safety and other working parameters in mines by the Mines Safety Association, Karnataka, under the aegis of Directorate General of Mines Safety, Government of India.

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

Abbreviations	Full forms
kWh/t	Kilowatt Hour Per Tonne
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

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, 2021 to March 31, 2022. 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 KPIs 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 onsite verification was conducted at Mattampally manufacturing unit (April 2022) along with the remote interviews with SCL corporate team (Hyderabad), and its subsidiary Sagar Cements (R) Limited (SCRL). The assurance activities were carried out together with a desk review of data of other manufacturing units located at Gudipadu, and the grinding unit at Bayyavaram 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 decisionmakers 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.

- Sagar Cements can assess its emission targets following the "Science-Based Targets" methodology (Sectoral de-carbonisation approach or absolute based targets or economic approach)
- The existing supplier assessment manual can be calibrated with the contemporary best practices example ISO 20400
- Sagar Cements may, further increase waste related disclosures by adopting the GRI disclosure requirements, following the GRI 306 2020 requirements
- Review mechanism of the entered data with credible pieces of evidence needs to be established.

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 organisation'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 organisation'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 prioritise the short, medium and long-term strategies. The Report provides insights into the organisation's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organisation 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.

Assurance Statement

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 and innovation in manufacturing processes through its manufacturing facilities and 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 emphasises on operational eco-efficiency, principles of circularity and 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

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

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service
Project Reference No: 8120207839
www.tuv-nord.com/in

Date: 24-04-2022
Place: Mumbai, India

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option. It covers our sustainability performance for the period from 1st April 2021 to 31st March 2022.

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Directors' Report

Dear Members,

Your Directors are pleased to present their Forty First Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended 31st March 2022.

Financial Results

This discussion on the financial condition and results of operations of your Company for the year ended 31st March 2022, which are summarised 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 (M) Private Limited and Jajpur Cements Private Limited.

(₹ in Lakhs)

	Standalone		Consolidated	
Description	**2021-22**	**2020-21**	**2021-22**	**2020-21**
Revenue from operations	1,56,786	1,37,488	1,59,687	1,37,132
Other Income	2,691	854	1,342	778
Total income	**1,59,477**	**1,38,342**	**1,61,029**	**1,37,910**
Total expenses	1,28,177	97,273	1,32,110	97,088
Operating Profit before Interest, Depreciation and Tax	28,609	40,215	27,577	40,044
Less: Finance Cost	6,934	4,607	9,248	4,656
Depreciation	8,035	8,057	9,271	8,103
Profit before tax	16,331	28,405	10,400	28,063
Total Tax	5,953	9,479	4,485	9,451
Profit after Tax	10,378	18,926	5,915	18,612
Other Comprehensive Income	127	7	131	7
Total Comprehensive Income	10,505	18,933	6,046	18,619
Basic & Diluted Earnings per share of ₹ 2 each	8.83	16.36	5.03	16.09

Performance

Despite increase in the input cost, particularly power and fuel, your Company could achieve a reasonable performance, resulting in an operational profit of ₹ 275.77 crores. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2021-22 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 read with the dividend distribution policy adopted by your Company, which is available on your Company's website. In this background, your Board of Directors is pleased to recommend a dividend at ₹ 0.70 per equity share (35%) on the 13,07,07,548 equity shares of ₹ 2/- each of your Company. This would result in a total outflow of ₹ 914.95 lakhs.

The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at: https://sagarcements.in/wp-content/uploads/2020/08/Scl_Dividend-Distribution-Policy.pdf

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.

Authorised Share Capital

During the year 2021-22, face value of equity shares of your Company was split from ₹ 10/- each into ₹ 2/- each, as a result of which, the total number of equity shares went up from 2,35,00,000 equity shares of ₹ 10/- each to 11,75,00,000 equity shares of ₹ 2/- each and accordingly the paid-up share capital as on 31st March, 2022 was ₹ 23,50,00,000/- divided into 11,75,00,000 equity shares of ₹ 2/- each.

The Hon'ble National Company Law Tribunal, Hyderabad Bench-I vide its order dated 15th March 2022 approved the Scheme of Amalgamation of Sagar Cements (R) Limited ("Transferor Company"), a Wholly-owned Subsidiary with the Company. By virtue of said Scheme, the authorised share capital of the Transferor Company (i.e. Equity Share Capital of ₹ 116,00,00,000/- and Preference Share Capital of ₹ 43,00,00,000/-) was merged with the authorised share capital of the Company w.e.f. the effect date i.e.,15th March 2022.

Accordingly, the authorised share capital of the Company is ₹ 182,50,00,000/- comprising of 69,75,00,000 Equity Shares of ₹ 2/- each and 4,30,00,000 Preference Shares of ₹ 10/- each as on 31st March 2022.

Paid-up Share Capital

As on 31st March 2022, the paid-up share capital of the Company was ₹ 23,50,00,000/-. With the split of face value of equity shares from ₹ 10/- into ₹ 2/- each, the total number of fully paid-up equity shares increased from 2,35,00,000 to 11,75,00,000.

Pursuant to the approval accorded by the shareholders, at their Extra-ordinary General Meeting held on 23rd April 2022, the Securities Allotment Committee of the Board at their meeting held on 7th May, 2022 has since allotted 1,32,07,548 equity shares of ₹ 2/- each at a premium of ₹ 263/- per share on a preferential basis aggregating to ₹ 350 crores to M/s. PI Opportunities Fund-I, Scheme II, an Alternative Investment Fund registered with SEBI under SEBI (Alternative Investment Fund) Regulations, 2012. This amount is proposed to be utilised by your Company for expanding its operations through organic and inorganic means, apart from meeting its incremental working capital requirements and for other general corporate purposes. With this allotment, the paid-up share capital of your Company is ₹ 26,14,15,096/- divided into 13,07,07,548 equity shares of ₹ 2/- each.

Utilisation of Funds Raised through Issue of Non Convertible Debentures

During the financial year 2021-22, your Company issued and allotted on a private placement basis 25,000 Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating to ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only). The funds raised through NCDs have been utilised to meet general business requirements, addressing working capital needs as well as expansion of business activities.

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. With a view to achieving more synergy in the operations of your group as a whole, this subsidiary has since been merged with the holding company, Sagar Cements Limited.

As you may be aware, your Company had acquired majority stake in Satguru Cement Private Limited, which has since been renamed as Sagar Cements (M) Private Limited (SCMPL), to set-up a green field integrated cement plant of 1 MTPA capacity with a waste heat recovery plant in the State of Madhya Pradesh. This plant as well as the another wholly-owned subsidiary, Jajpur Cements Private Limited earlier acquired to set-up a 1.5 MTPA capacity grinding station at Jajpur in Odisha, have since commenced their commercial operations during the year 2021-22.

Salient features of the financials of the above mentioned two 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.

The Board of Directors in their meeting held on 28th January, 2022, subject to necessary approvals, accorded their consent for the merger/amalgamation of M/s.Jajpur Cements Private Limited, a wholly-owned subsidiary company with the Company.

Grinding Unit in Bayyavaram

This grinding unit of your Company, located at Bayyavaram in Vizag District, with a capacity of 1.5 MTPA utilises 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 cement produced from your Company's plants is presently catering to the markets in Telangana, Andhra Pradesh, Karnataka, Maharashtra, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Tamil Nadu and Gujarat.

The cement demand during the financial year 2022 was around 350 million tonnes. The expected demand growth during the financial year 2023 is around 7 to 8%. This growth is expected to be driven by the Government's infrastructure and continued growth in rural housing and steady revival in urban demand.

While the financial year 2023 is likely to witness one of the highest capacity additions, most of it are grinding units, set-up to optimise costs more than adding supplies. Capacity utilisations is therefore expected to remain at around 65%.

However, we believe that the Central Government initiatives on the infrastructure, including proposal to allocate funds in the form of interest free loans to fund the PM Gati Shakti Scheme and other infrastructure projects and issue green bonds for projects would all help to drive cement demand.

Cement demand from the housing segment continues to have support from Central and State Governments under the affordable housing PMAY Scheme. This will be in addition to the regular demand from construction of new houses (due to population growth and increasing urbanisation and nuclearisation) and replacement / renovation of existing houses. Demand from urban housing, which was hit hard by the pandemic during the last couple of years, witnessed a mild recovery during FY22.

However, with the on-going Russia-Ukraine conflict, impacting input costs and constrained supply position as weather and environmental concerns in key producing countries such as South Africa, Indonesia and China, pose a serious challenge for the sector. Power and fuel costs, which were earlier expected to peak during second half of FY22, will now witness a sharp increase in FY23, as coal and pet coke prices hit new high in March 2022.

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 organisations, your Company is constantly on the lookout for identifying new opportunities to enhance its 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, 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.

To focus on the risk management being followed by your Company, a committee has been formed exclusively for the purpose, in which, two members are independent directors.

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 organising training programmes wherever required for the employees concerned to improve their skill. They are also encouraged to participate in the seminars organised 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 realise 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.

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC). ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at corporate office as well as at site locations.

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, ISO 45001:2018 for Occupational Health and Safety Management System Standard and ISO 50001:2018 for Energy Management.

Your Company was awarded with "Best Management Award" in appreciation of providing local employment and providing skill development training for local newly qualified graduates at Mattampally unit by Ministry of Labour, Government of Telangana.

Your Company's Gudipadu Unit was awarded with "State level and Zonal level overall 2nd price for Mines Safety-2022" in appreciation of the Safety and other working parameters in Mines by Mines Safety Association, Karnataka under the aegis of Directorate General of Mines Safety, Government of India.

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

On recommendation of the Audit Committee and Nomination and Remuneration Committee, the Board of Directors in their meeting held on 1st July, 2021, re-appointed Dr.S.Anand Reddy as Managing Director and Shri S.Sreekanth Reddy as Joint Managing Director respectively for a further period of 3 years with effect from 31st October, 2021 and subsequently approval of shareholders was taken in the 40th AGM held on 28th July, 2021.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr. S. Anand Reddy and Shri John-Eric Bertrand will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Necessary resolutions seeking the approval of the members for the re-appointments have been incorporated in the notice of the annual general meeting of the Company.

In accordance with Clause 3.1 (a) of the Shareholders Agreement dated 25th March 2022 entered into between M/s.PI Opportunities Fund-I, Scheme II (Investor), the Company and the promoters read with Article 84 and 97 of the Articles of Association of the Company and in accordance with the Communication received from the said

Investor, Shri Madhavan Ganesan (DIN: 01674529) was appointed as an additional director on 11th May 2022 under Section 161 of the Companies Act, 2013 to act as Nominee Director of M/s.PI Opportunities Fund-I, Scheme II and that the said Shri Madhavan Ganesan will not be liable to retire by rotation. A suitable resolution has been included in the Notice of the Annual General Meeting seeking approval of the shareholders for the said appointment.

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.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

The Board of Directors is of the opinion that all the Independent Directors possess requisite qualifications, experience and expertise in industry knowledge and corporate governance and they hold highest standards of integrity.

Number of Meetings of the Board

During the year 2021-22, eight 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 Integrated Report.

Credit Rating

Details of Credit Ratings obtained by the Company have been given in the corporate governance report, which forms part of the Integrated 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 Companies Act, 2013 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. 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 found to be adequate and operating effectively.

Maintenance of Cost Records

Cost records are required to be maintained by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, such accounts and records made and maintained.

Cost Auditors

M/s.Narasimha Murthy & Co., Cost Auditors (FR No.000042) have been appointed as Cost Auditors of the Company for the year ending 31st March 2023. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said 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 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 Companies Act, 2013 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 2021-22 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company.

Policy on transaction with related parties

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

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.

Annual Return

Annual Return in Form MGT-7 is available on the Company's web site and the link for the same is www.sagarcements.in

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, 2014 has been given in the **Annexure-5**, 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	146.55
Shri S. Sreekanth Reddy	141.52

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

Director, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Shri K. Thanu Pillai, Non-Executive Director	These non-executive directors, were not paid any remuneration, other than the sitting fee.
Shri V.H. Ramakrishnan, Non-Executive Director	
Mrs. O. Rekha, Non-Executive Director	
Mrs. Sudha Rani Naga (APIDC Nominee Director)	
Shri John-Eric Bertrand, Non-Executive Director	
Shri Jens Van Nieuwenborgh, alternate director to Shri John-Eric Bertrand, Non-Executive Director	
Mrs. S. Rachana, Non-Executive Director	
Dr. S. Anand Reddy, Managing Director	4.24
Shri S. Sreekanth Reddy, Joint Managing Director	3.73
Shri R. Soundararajan, Company Secretary	3.83
Shri K. Prasad, Chief Financial Officer	10.93

c. The percentage increase in the median remuneration of employees in the financial year: 0.72

d. The number of permanent employees on the rolls of Company: 751

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

Particulars	On March 31st 2022 (₹) *	On June 22nd 1992 (₹) **	% Change
Market Price in NSE	246.35	Not listed	-
Market Price in BSE	246.90	45.00	2643.33%

* Face value of ₹ 2/- each

** Face value of ₹ 10/- each

f. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 9%. The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.

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

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

Whistle Blower Policy

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees of the Company to enable them 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 said policy is available on the Company's website 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-6**, 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, Securities

Allotment Committee and Risk Management Committee. The composition and other details of these committees, have been given in the Report on the Corporate Governance, which forms part of the Integrated Report.

Compliance Certificate

A certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from a Practicing Company Secretary 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

The shareholders at their Extra-ordinary General Meeting held on 23rd April 2022 approved a proposal to issue and allot 1,32,07,548 equity shares of ₹ 2/- each at an issue price of ₹ 265/- per share through preferential allotment. The Securities Allotment Committee in its meeting held on 7th May, 2022 allotted the said 1,32,07,548 equity shares to M/s.PI Opportunities Fund-I Scheme II. The process of getting them listed on the Stock Exchanges are currently in progress. Other than this, there were no other material changes or commitments between the end of the financial year and the date of this report.

Significant and material orders passed by the Regulators

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

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

	Dr. S. Anand Reddy	**S. Sreekanth Reddy**
Hyderabad	Managing Director	Joint Managing Director
11th May 2022	DIN: 00123870	DIN: 00123889

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
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED (SCMPL)	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
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
4.	Share Capital	504	10,768
5.	Reserves & surplus	15,401	(1,512)
6.	Total Assets	65,610	80,791
7.	Total Equity and Liabilities	65,610	80,791
8.	Investments	0	31,468
9.	Turnover	3,719	198
10	Profit/(Loss) before tax	(3,818)	(2,053)
11.	Provision for tax	(960)	(508)
12.	Profit/(Loss) after tax	(2,858)	(1,545)
13.	Proposed Dividend	0	0
14.	% of shareholding	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: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil
3. Sagar Cements (R) Limited, a wholly-owned subsidiary of Sagar Cements Limited was merged with the holding company during the year.

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
1.	Latest audited Balance Sheet Date	Nil
2.	Shares of Associate/Joint Ventures held by the Company for the year end	Nil
	No.	Nil
	Amount of Investment in Associates/Joint Venture	Nil
	Extent of Holding%	Nil
3.	Description of how there is significant influence	Nil
4.	Reason why the associate/joint venture is not consolidated	Nil
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
6.	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
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer

R. Soundararajan
Company Secretary
M. No. F4182

Hyderabad
11th May 2022

ANNEXURE - 2

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2022

[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,
Sagar Cements Limited,
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 Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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 31st 2022, 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 31st 2022 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 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (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 Transboundary 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.

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorised 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. There were no changes in the composition of the Board of Directors that took place during the period under review.

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 the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ('NCLT') had, vide its Order No. CP(CAA) No.49/230/HDB/2021 dated March 15th 2022 ('Order'), approved the Scheme of Arrangement between the Company and Sagar Cements (R) Limited ('Transferor Company'), wholly-owned subsidiary of the Company, under Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder ('the Scheme'). The Appointed Date of the Scheme is March 30, 2021.

2. The Company has issued and allotted 25,000 Secured, Unlisted, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each aggregating to ₹ 250,00,00,000/- on private placement basis.

3. During the audit period, the Board of Directors has given its approval for following:

    a. Issue up to 1,32,07,548 Equity Shares on preferential issue basis; and

    b. Merger of Jajpur Cements Private Limited, wholly-owned subsidiary, with the Company.

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

S. Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: A022119D000300584

Place: Hyderabad
Date: 11th May 2022

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 Limited,
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: A022119D000300584

Place: Hyderabad
Date: 11th May 2022

Secretarial Compliance Report

To,
Sagar Cements Limited,
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana – 500033.

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 Limited ("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 31st 2022 ("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 during the Review Period;

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021–Not applicable during the Review Period;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008–Not applicable 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 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
		Nil	

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from 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
			Not Applicable	

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
01.	Being the top 1000 listed entity as on 31/03/2020, the listed entity had no Independent Woman Director during the period from 01/04/2020 to 29.06.2020 as required under Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	March 31st 2021	1. The listed entity rectified the non-compliance by appointing an Independent Woman Director on the Board with effect from 30.06.2020. 2. A fine of ₹ 4,50,000/- plus applicable GST was paid to the NSE for non-compliance. The listed entity had requested BSE to waive-off the fine and the same was proved by BSE vide its e-mail dt. 06/07/2021.	To the best of our knowledge, the non-compliance of delay in appointing an Independent Woman Director on the Board was not due to any negligence; and we were informed that the reason for the delay was to find appropriate person to hold the position of Independent Director in the listed entity. The listed entity rectified it by making requisite appointment w.e.f. 30/06/2020.

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

S. Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: A022119D000300617

Place: Hyderabad
Date: 11th May 2022

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 2021-22.

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 2021-22.

On behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer

R. Soundararajan
Company Secretary
M. No. F4182

Hyderabad
11th May 2022

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

Sagar Cements Limited 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:

1. It conducts its operations with integrity and responsibility, keeping in view the interest of all its stakeholders.
2. It believes that growth and environment should go hand and in hand.
3. It looks 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 in 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, Composition of CSR Committee: https://sagarcements.in/investors/board-committees
CSR Policy and CSR Projects: https://sagarcements.in/wp-content/uploads/2020/08/Scl_CSR-Policy_21.5.2015.pdf

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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	Not applicable		

6. Average net profit of the Company as per Section 135(5): ₹ 12127 lakhs.

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 242.53 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: ₹ 13.67 lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 228.86 lakhs

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5),		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
254.56	0	Not applicable	Not applicable	0	Not applicable

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			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 and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		12748761	Direct	Not Applicable	
2.	Training and education	Promotion of Education and infrastructure for it	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		4990862	Direct		
3.	Training and promotion of sports	Organising sports events and sponsor of sports personnel	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		323521	Direct		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		7392890	Direct		
	Total					**25456034**			

(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): ₹ 2,54,56,034/-

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	242.53
(ii)	Total amount spent for the Financial Year	254.56
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12.03
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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 ₹)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
				Nil			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	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
11th May 2022

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

K. Thanu Pillai
Chairman,
Corporate Responsibility Committee
DIN: 00123920

ANNEXURE - 5

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	58 years	50 years
Remuneration received (₹)	2,54,03,226	2,28,62,903
Commission received (₹)	4,90,00,000	4,90,00,000
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)	29	26
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.

For and on behalf of the Board of Directors

Hyderabad	**Dr. S. Anand Reddy**	**Shri S. Sreekanth Reddy**
11th May 2022	Managing Director	Joint Managing Director
	DIN: 00123870	DIN: 00123889

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 optimising the consumption of energy. Some of the specific measures undertaken in this direction are listed below.

1. Utilisation of Alternative Fuel and Raw Material (AFR) for replacement of pet coke.
2. Utilisation of Rice husk to increase further reduction of pet coke.

Optimisation of Plant Capacity

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

The following initiatives have been taken.

1. Construction of storage shed for limestone and coal.
2. Installation of mechanical feeding system for solid AFR to increase the Alternative Fuel percentage.
3. Procurement of fire tender for safety.
4. Procurement of road sweeping machine to reduce the emission levels.

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

Sl. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Outgo	12,622	6,705
2	Inflow	Nil	Nil

For and on behalf of the Board of Directors

Hyderabad
11th May 2022

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

Shri S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Management's Discussion & Analysis

Review of Economy

Global Economy

In the beginning of FY2022, the pandemic continued to wreak havoc, causing significant negative impact on businesses and society as a whole. New variants of the COVID-19 led to a fresh round of lockdowns across the globe. The most immediate impact was felt in the form of rising prices of crude oil and supply chain disruptions, leading to a rise in inflation that weighed down growth in emerging economies considerably. This moderated the projected growth rate for FY2022 to 4.4%, down from 5.9% in FY2021.

With the widespread administration of covid vaccines, a level of immunity was achieved against the ever-growing threats of new covid variants, boosting economic recovery. Apart from vaccines, governments and central banks play a major role in reviving the economy. They drive traction and capital expenditure to ensure that money keeps flowing in the economy, expedited through relevant policy framework. Many sectors were revitalised owing to the outburst of pent up demand and a growing flexibility in aligning to the changing dynamics. Sectors like tourism and hospitality need more stimulus and will only regain a degree of normalcy once countries open up their doors to international travel. The recovery rate for each country depends on investments made on advanced healthcare, along with accommodative fiscal policies. Countries with a strong infrastructural foundation find it much easier to bounce back from the impact of the pandemic.

The ongoing Russia-Ukraine conflict will have major ramifications for the global economy. Both these countries are major commodity producers and supply chain disruptions will have prices going upwards in the rest of the world. There is also a severe concern around rampant climate change that has been showing its effect all over the world. A UN report released in August 2021 warns about an impending climate catastrophe unless strong measures are taken to control green house gas emissions. Another report from Deloitte suggests that increased occurrence of natural calamities like storm, floods and droughts will impact 70% of industrial production around the planet.

Outlook:

The efficacy of vaccines and astute macro-economic policies adopted by governments will be fundamental to the revival of businesses across the world. The pandemic has laid bare the increasing need for collaborative approaches to tackling global crises. We now have the necessary experience to manoeuvre through these pandemic infused disruptions. Although economic output in the developed world is projected to return to pre-covid levels in 2022, they will continue to remain below for the emerging market economies. With the volatile crude oil prices and vulnerable supply chains, inflation is also expected to remain elevated this year. Global collaborative effort is the need of the hour to address the severe financial impact resulting from climate change related extreme weather events.

Indian Economy

India set an ambitious target of vaccinating 1 Billion+ people at the beginning of 2021. This large-scale vaccination drive has injected immunity into our vulnerable populations to safeguard from covid related fatalities. However, infections skyrocketed with advent of new strains of the virus. Hospitals were once again overwhelmed with severe shortage of oxygen supply, while frontline workers were once again overburdened. With subsequent lockdowns and accelerated vaccinations, India gradually emerged out of the second wave, witnessing an uptick in economic growth.

The central government prioritised capital expenditure by allocating ₹7.5 Lakh Crores, an increase of 35% over previous year. The central government also had strong focus on projects promoting infrastructure development with the belief that increased investments in infrastructure will propel growth in other industries. The Reserve Bank of India predicted that the economic growth rate will stand at 7.8% for 2022-2023. However, the overall Consumer Price Index would remain higher at 6% as of January 2022 due to high input cost, supply side disruptions and rising crude oil prices.

Despite pandemic concerns, India has shown a positive trajectory towards economic recovery through higher:

- GST collections
- UPI transactions
- Passenger and freight traffic via air and rail
- FDI influx

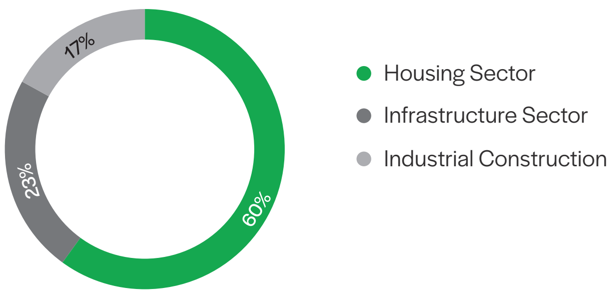
Outlook:

Outcomes of both external and internal volatilities will shape how Indian economy would perform in the coming year. While the overarching threat of newer covid variants continue to remain, we are in a comfortable position to manage it with our aggressive vaccination drive and contingency plans pertaining to the outbreak will be suitably addressed. The task at hand is to continue with the pace of economic recovery across all sectors including tourism, which was hit badly in 2021. With the government's focus on infrastructure, heavy industries like steel, cement, machinery etc. are expected to see higher demand.

Industry Review

The cement industry is expected to grow at 7% in FY2022 due to factors such as infrastructure growth, increased activity in urban and rural housing, rising rural incomes and an overall industrial growth. This optimistic demand growth for cement will primarily be driven by housing and infrastructure sector. The Investment Information and Credit Rating Agency of India Limited (ICRA) expects around 20% volume growth in cement production to 355 million metric tonnes this fiscal year.

Cement Consumption*



*Source: Systematix Institutional Research, Industry

The union budget FY2022 has allocated ₹ 48,000 Crores towards the Pradhan Mantri Awas Yojana to build affordable houses in urban and rural India. The private real estate sector is also witnessing a strong demand in Tier II and Tier III cities, with the growing preference for compact gated homes among nuclear families being a major reason for this. The National infrastructure pipeline worth ₹ 111 Lakh Crores is slated to be invested in road, rail, energy and water projects. Along with the home and construction sector, demand for industrial sector is driven by data centres for technology companies and warehousing requirements to meet rising demands for e-commerce.

This ramped up demand will also put considerable pressure on the resources that are needed to produce cement. Cement manufacturing is a highly water and energy intensive process. To grow sustainably, greener products and manufacturing techniques need to be developed. There has been an sharp degree of awareness among the people regarding blended cement, which consumes less water. Cement manufacturers are emphasising on switching to renewable sources and waste recycling to reduce their impact on the environment. Research and tech-driven product innovation are crucial for long term value creation in the cement industry.

Outlook:

Demand for cement will continue to grow throughout the year. As we move to a remote working set up, the demand for affordable housing is expected to rise in smaller urban towns. Indian cement companies are known to be the greenest manufacturers in the world. Prime Minister Narendra Modi has announced the PM Gati Shakti plan for achieving multimodal connectivity across various economic sectors. The objective is to create an integrated connectivity transport framework for the movement of people, goods and services through multiple transport modes seamlessly. This is expected to boost cement demand even further.

Some key infrastructure projects expected to be commissioned in the next 5 years include:

Project	Cost (₹)
Navi Mumbai International Airport	16,700 Crores
Jewar International airport	5,730 Crores
Chenab Railway Bridge	1,486 Crores
Delhi-Mumbai Expressway	98,000 Crores
Mumbai-Ahmedabad High Speed Corridor	1.10 Lakh Crores
Bangalore-Chennai Expressway	18,000 Crores

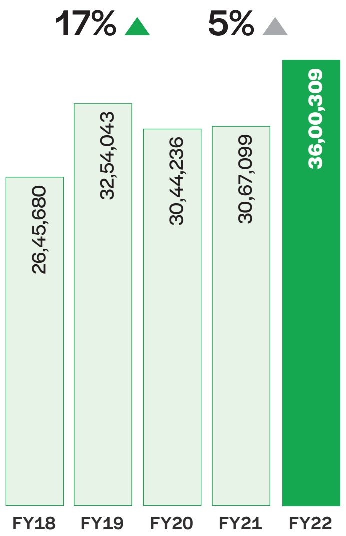
SCL Performance Review on consolidated basis

Operational Performance

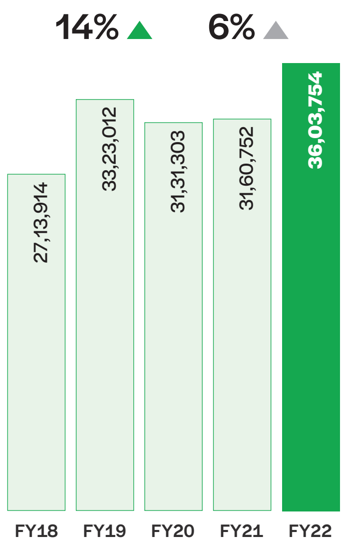
We were able to ramp up our production capacity to 8.25 MTPA, with the commissioning of our Jeerabad and Jajpur plants in FY2022. This has helped us move a step closer to our target of achieving a capacity of 10 MTPA cement by the year 2025. We have also successfully expanded to newer markets in Maharashtra and Odisha, increasing our customer base.

The operating margins were under pressure due to high costs of inputs like coal, coke and diesel. The Company has conducted operations maintenance for all its plants, resulting in additional expenditure. We expect a better pricing environment moving forward.

Cement production
(in MT)

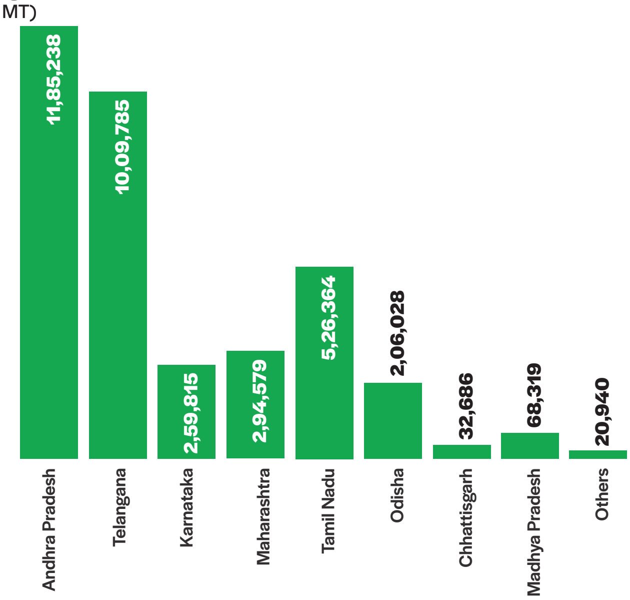


Cement Sales
(in MT)



Business Performance

Region wise sales
(in MT)



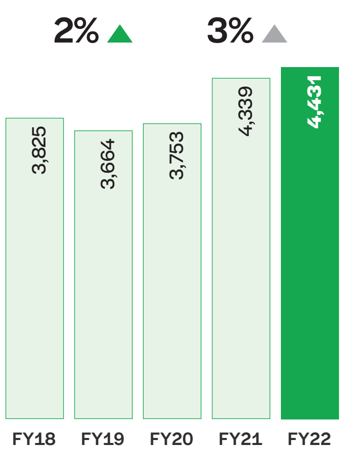
▲ YoY growth ▲ (5-year CAGR)

Particulars	FY2022	FY2021
Cement Production (in T)	36,00,309	30,67,099
Cement Sales (in T)	36,03,754	31,60,752
Average Net Sales Realisation per T ₹	4,431	4,339
Total Revenue (₹ in Lakhs)	1,59,687	1,37,132
EBITDA (%)	17	30

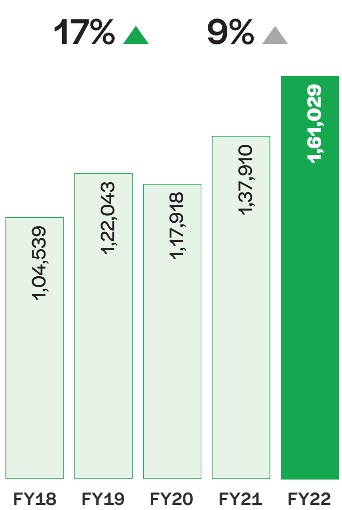
(₹ in Lakhs)

Particulars	FY2022	FY2021
Total income	1,61,029	1,37,910
Total Expenses	1,50,629	1,09,847
Profit Before Tax	10,400	28,063
Total Tax	4,485	9,451
Profit After Tax	5,915	18,612
Other Comprehensive Income	131	7
Total Comprehensive Income	6,046	18,619
Basic & Diluted Earnings Per Share of ₹ 2 each (₹ Per Share)	5.03	16.09

Average Net sales Realisation
(₹)

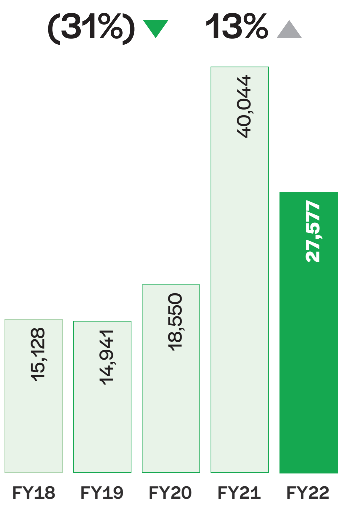


Total Income
(₹ in Lakhs)



▲ YoY growth ▲ (5-year CAGR)

EBITDA
(₹ in Lakhs)



Financial ratios

Sr No.	Particulars	FY2022	FY2021
1	Debtor's Turnover Ratio (Sales of Products and Services / Average Trade Receivable)	13.22	10.67
2	Inventory Turnover Ratio (Sales of Products and Services/ Average Inventory)	9.23	11.27
3	Interest Coverage Ratio* [Cash profit after adjusting depreciation / Interest expense during the period] [Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]	2.64	6.74
4	Current Ratio (Current Assets / Current Liabilities excl. Current Borrowings)	1.92	1.71
5	Debt Equity Ratio** (Debt / Net Worth) [Debt: Long term secured loans + Current maturities of long term debt + Loan term unsecured loans+ Cash credit facilities]	1.15	0.66
6	Operating Profit Margin* (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income)/ Sales of Products and Services]	17	30
7	Net Profit Margin* (%) [Profit after tax/ Sales of Products and Services]	4	14
8	[Return on Net worth* (%) (Net Profits after taxes)/ Average Shareholder's Equity]	5	16

*During the financial year ended 31st March 2022 their had been significant increase in the power and fuel expenses when compared to previous financial year, which has impacted the operating margins, resulting in variations in ratios.

**During the financial year ended 31st March 2022 the Company had taken loan for inorganic and organic growth, has resulted in variations in ratios.

Outlook

We continue to create consistent value through our strengths aligned with our strategy that include capacity expansion, technological innovation, trusted partnerships and giving importance to being carbon sensitive. Our new plants at Jeerabad and Jajpur allow us to optimise our freight expense as we set our sight at serving newer geographies. We aim to achieve 10 MTPA capacity through these units while harnessing technology to innovate products that are eco-friendly to limit our impact on the environment.

The steadfast trust of our stakeholders makes us the preferred brand among all our customers, suppliers, contractors and the communities we operate in. This trust also gives us wings to grow sustainably. We remain strongly optimistic about future, where we can strategically capitalise on the growing demand in Southern, Eastern and Central India.

Risk Management System

As a cement manufacturer, we are subject to internal as well as external uncertainties that shape our risk management policy. While internal risks can be managed with stringent compliance systems, external risks depend on multiple variables that are beyond our control. Robust risk management ensures we anticipate any problem before hand and strategise plans to mitigate them effectively.

We are responsive to newer opportunities that would create greater value for our shareholders. Every significant proposal is scrutinised at all levels to identify any risks involved. It is approved only after the management is sure that necessary risk assessment has been done thoroughly.

Any financial risk management pertaining to operations is implemented through internal, statutory and cost audits. These audits are periodically carried out by authorised auditors. The JMD heads the risk management committee, which reviews day to day risks of the organisation. Risk review meetings are conducted to analyse the implemented plans and identification and mitigation of newer areas of concern.

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 our auditors including, the financial, cost our 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.

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 2022, 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 2022 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 2022 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 the purpose.

Name of the Director	Category	Number of board meetings during the year 2021-22		Whether attended the last AGM held on 28/7/2021	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri K. Thanu Pillai	Chairman, Independent and Non-Executive Director	8	8	Yes	-	1	1	-
Dr. S. Anand Reddy	Promoter (Executive Director)	8	8	Yes	-	3	1	-
Shri S. Sreekanth Reddy	Promoter (Executive Director)	8	8	Yes	1	2	-	-
Mrs. S. Rachana	Non-Executive Director (Promoter Group)	8	8	Yes	-	1	-	-
Shri V.H. Ramakrishnan	Independent and Non-Executive Director	8	8	Yes	-	1	-	2
Mrs. Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	8	7	Yes	-	-	-	-
Shri John-Eric Fernand Pascal Cesar Bertrand	Non-Executive Director	8	3	Yes	-	-	-	-
Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Fernand Pascal Cesar Bertrand	8	4	NA	-	-	-	-
Mrs. O. Rekha	Independent and Non-Executive Director	8	8	Yes	-	-	-	-

NA – Not Applicable

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

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

(iv) As on 31st March 2022, none of the Directors on the Board held directorships in more than seven 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 2022 have been made by the Directors.

(v) All the Independent Directors are Non-Executive Directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations and 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 and Section 149(6) of the Act.

(vi) The Board held eight 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:

26th April 2021, 12th May 2021, 1st July 2021, 28th July 2021, 27th October 2021, 20th November 2021, 28th January 2022 and 25th March 2022.

(vii) Disclosure of relationship between directors inter-se:

Dr. S. Anand Reddy, Managing Director is brother of Shri S. Sreekanth Reddy, Joint Managing Director.

Shri S.Sreekanth Reddy, Joint Managing Director is brother of Dr.S.Anand Reddy, Managing Director and spouse of Mrs.S.Rachana, Non-Executive Director.

Mrs.S.Rachana, a Non-Executive Director is spouse of Shri S.Sreekanth Reddy, Joint Managing Director.

Except mentioned above, none of the other Directors is related inter-se.

(viii) 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.

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

(x) During the year, the Independent Directors separately held a meeting on 28th January 2022.

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

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

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

(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, 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

S. No.	Name of the Director	Skill/Expertise/Competence
1	Shri K. Thanu Pillai	Business & Industry, Financial Expertise, Governance & Compliance
2	Shri V.H. Ramakrishnan	
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 Fernand Pascal Cesar Bertrand	Business & Industry, Financial Expertise, Governance & Compliance
8	Mrs. Sudha Rani Naga (Nominee Director)	Accounts

(xv) Details of equity shares and convertible securities of the Company held by the Directors as on 31st March 2022 are given below:

Name	Category	Number of equity shares
Dr.S.Anand Reddy	Managing Director – Promoter	65,32,620
Shri S.Sreekanth Reddy	Joint Managing Director – Promoter Director	61,97,015
Mrs.S.Rachana	Non-Executive, Promoter Group	58,36,415
Mrs. O. Rekha	Independent and Non-Executive Director	1,000

As on 31st March 2022, none of the Non-Executive Directors/ Independent Directors other than the mentioned above was holding any shares or convertible securities in the Company.

(xvi) During the financial year 2021-22, none of the Independent Directors has resigned from his/her directorship.

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 and 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 28th July 2021 and the Chairman of the audit committee was present at the said meeting.

vi. The composition of the Audit Committee as on 31st March 2022 and the details of attendance at its meetings held during the year 2021-22 are given below:

Name of the Member	Category	Number of meetings held during the financial year 2021-22	
		Held	Attended
Shri V.H.Ramakrishnan, Chairman	Independent Director	8	8
Shri K.Thanu Pillai	Independent Director	8	8
Mrs. O. Rekha	Independent Director	8	8

vii. The Audit committee met 8 times during the year 2021-22 and the dates of these meetings are:

26th April 2021, 12th May 2021, 1st July 2021, 28th July 2021, 27th October 2021, 20th November 2021, 28th January 2022 and 25th March 2022

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 and Section 178 of the Act.

ii. The terms of reference of the NRC are available on the Company's website https://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 2022, the attendance at its meetings during the year 2021-22, are given below:

Name of the Member	Category	Number of meetings held during the financial year 2021-22	
		Held	Attended
Shri V.H. Ramakrishnan, Chairman	Independent Director	2	2
Shri K. Thanu Pillai	Independent Director	2	2
Mrs. O. Rekha	Independent Director	2	2
Mrs. S. Rachana	Non-Executive Director	2	2

The NRC had met twice during the year 2021-22 on 12th May 2021 and 1st July 2021.

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

v. Performance Evaluation Criteria / Policy for Independent Directors:

The Company has adopted a Policy for evaluating the performance of its Independent Directors, 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. 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 2021-22 are given below:

Sl. No.	Name of the Director	Sitting Fee (In Rupees)
1	Shri K. Thanu Pillai	9,60,000
2	Shri. V.H. Ramakrishnan	9,60,000
3	Mrs. Sudha Rani Naga (APIDC Nominee) Their sitting fees were directly paid to the Institution they represented.	3,20,000
4	Mrs. S. Rachana	4,40,000
5	Mrs. O. Rekha	9,60,000
6	Shri John-Eric Fernand Pascal Cesar Bertrand	1,20,000
7	Shri Jens Van Nieuwenborgh (Alternate Director to Shri John-Eric Bertrand)	1,60,000
Total		**39,20,000**

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 2021-22.

Description	Dr. S. Anand Reddy (MD)	Shri S. Sreekanth Reddy (JMD)
Salary	145.16	130.65
Perks (75% of the salary)	108.87	97.98
Sub-Total	**254.03**	**228.63**
Commission	490.00	490.00
Total	**744.03**	**718.63**

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 and 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 2022:

Name of the Member	Category of the Director
Mrs. Sudha Rani Naga, Chairperson	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 54 complaints from the investors during the year 2021-22 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 2022.

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	36	36	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	17	17	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	1	1	0
Total		**0**	**54**	**54**	**0**

During the year, one meeting of the Stakeholders' Relationship Committee was held on 28th January 2022 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

7. Risk Management Committee

i. The Board of Directors in their meeting held on 1st July 2021, constituted a Risk Management Committee. The composition of the Risk Management Committee is in line with the provisions of Regulation 21 of SEBI Listing Regulations.

ii. The terms of reference of the Risk Management are available on the Company's website www.sagarcements.in as part of the Risk Management Policy.

iii. The details of the composition of the Risk Management Committee as on 31st March 2022, the attendance at its meetings held during the year 2021-22, are given below:

Name of the Member	Category	Number of meetings held during the financial year 2021-22	
		Held	Attended
Shri S. Sreekanth Reddy, Chairman	Joint Managing Director	2	2
Shri V.H. Ramakrishnan	Independent Director	2	2
Mrs. O. Rekha	Independent Director	2	2
Shri K. Prasad	Chief Financial Officer	2	2

The Risk Management Committee had met twice during the year 2021-22 on 23rd February 2022 and 25th March 2022.

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 K. Thanu Pillai	Chairman
Dr. S. Anand Reddy	Member
Shri V.H. Ramakrishnan	Member
Mrs. O. Rekha	Member

The Investment Committee had met twice during the year 2021-22 on 27th October 2021 and 20th November 2021 and all the members of the Committee were duly present at the meeting.

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 are its members:

Name	Category
Shri K. Thanu Pillai	Chairman
Shri. V.H. Ramakrishnan	Member
Mrs. O. Rekha	Member

During the year, one meeting of the Securities Allotment Committee was held on 1st December 2021 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 28th January 2022.

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 2021-22	
		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

8. 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
40th AGM	28th July 2021	2.00 p.m.	Through VC/OAVM
39th AGM	9th September 2020	3.00 p.m.	Through VC/OAVM
38th AGM	24th July 2019	4.00 p.m.	Hotel Golkonda, Masab Tank, Hyderabad-500 028

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

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

At the 40th AGM, three special resolutions were passed in respect of Re-appointment of Dr. S. Anand Reddy as Managing Director, Re-appointment of Shri S. Sreekanth Reddy as Joint Managing Director and sub-division of share capital in to smaller amount and consequent changes in the Memorandum and Articles of Association of the Company.

No postal ballot was conducted during the financial year 2021-22. 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 scrutiniser 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.

9. 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 2021-22 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30th June 2021	29th July 2021	Financial Express and Andhra Prabha
30th September 2021	29th October 2021	
31st December 2021	29th January 2022	
31st March 2022	13th May 2022	

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 2021-22. 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 Integrated Report of the Company contains the Management Discussion and Analysis as annexure to the Directors' Report.

Subsidiary Companies

As on 1st April 2021, the Company had two wholly owned subsidiaries viz. Sagar Cements (R) Limited and Jajpur Cements Private Limited and one subsidiary viz. Sagar Cements (M) Private Limited. However, Sagar Cements (R) Limited had since been merged with Sagar Cements Limited, Holding Company vide order issued by the National Company Law Tribunal on 15th March 2022 and a copy of the said order is made available on the web site of the Company viz. www.sagarcements.in 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.

10. General Shareholder Information:

a. Annual General Meeting:

Date & Time	3.00 p.m. on Thursday, the 30th June 2022
Venue	Through Video Conference /Other Audio-Visual Means

b. Financial Year: 1st April 2021 to 31st March 2022

c. Book Closure Dates: From 24th June 2022 to 30th June 2022 (both days inclusive)

d. Dividend Payment Date:

The Board has recommended a dividend @ 35% i.e., ₹ 0.70 per share, subject to its declaration by the members at the Annual General Meeting and the same will be paid to the eligible shareholders within 30 days of the said declaration.

e. Listing on Stock Exchanges:

The paid-up share capital of the Company as on 31st March 2022 was ₹ 23,50,00,000/- consisting of 11,75,00,000 equity shares of ₹ 2/- 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	INE229C01021

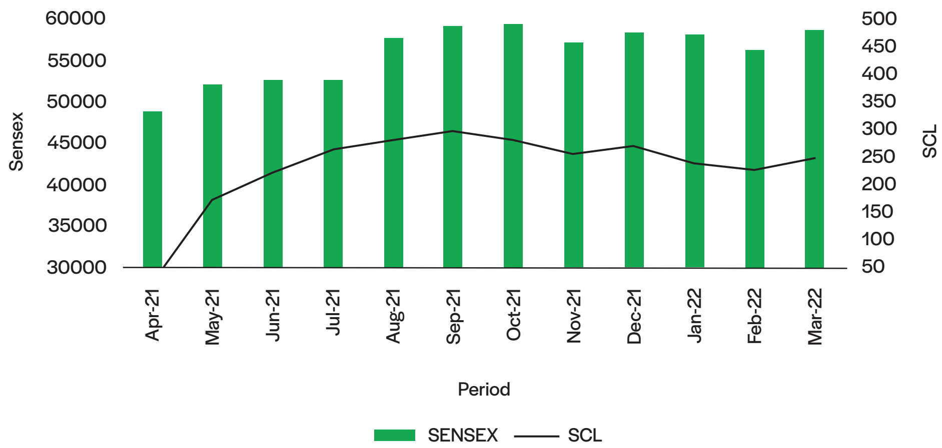
g. Market Price Details:

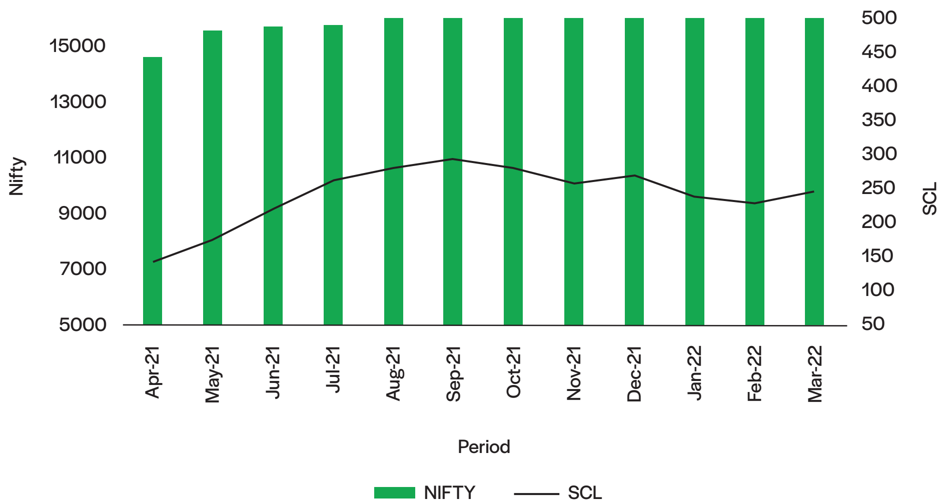
Monthly High, Low and closing prices for the Company's shares during the Financial Year as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2021	163.60	140.15	143.57	163.80	141.00	142.86
May 2021	187.60	140.88	175.09	187.50	141.34	174.88
June 2021	239.00	164.00	219.86	239.00	164.00	219.70
July 2021	278.00	216.20	262.46	278.00	215.00	262.72
August 2021	319.00	266.10	280.10	310.00	252.80	279.95
September 2021	305.00	266.15	294.00	305.70	266.85	294.55
October 2021	314.50	257.20	279.65	341.85	260.85	280.25
November 2021	296.00	246.05	257.35	298.00	246.30	257.15
December 2021	275.00	235.35	269.55	274.80	235.10	269.70
January 2022	292.00	236.25	238.45	294.70	236.05	238.45
February 2022	266.75	222.40	227.55	267.00	221.95	227.80
March 2022	274.90	202.50	246.90	275.00	202.05	246.35

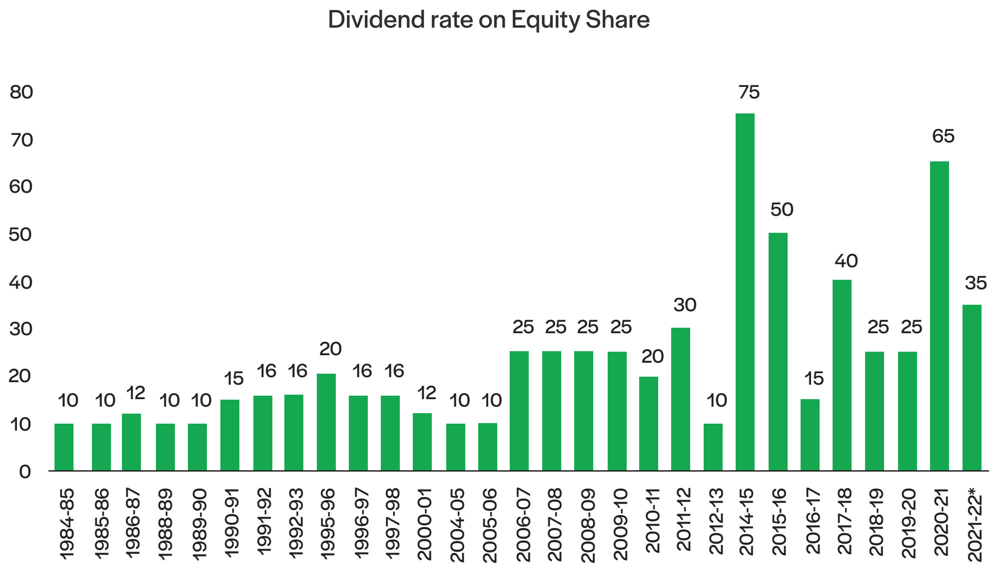
Note: The face value of Equity Shares was sub-divided from ₹ 10 each to ₹ 2/- each effective from 18th August 2021. To facilitate easy comparison, prices were recast from April 2021.

The Company Share Price movements during the year 2021-22 as compared with SENSEX and NIFTY, are depicted below:





h. Dividend History



* Subject to the confirmation /declaration by the shareholders at the ensuing AGM, the Board has recommended a dividend at ₹ 0.70 per share (35%) for the year 2021-22.

The voting rights on the unclaimed shares outstanding as on 31st March 2022 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 2015 (Interim 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 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 99.24% 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 2022

(i) Distribution of Shareholdings:

Sl. No.	Category (Shares)	No. of Shareholders	%	No. of Shares	%
1	1 - 50	27523	63.94	523131	0.45
2	51 - 100	5345	12.42	432808	0.37
3	101 - 200	3184	7.40	482509	0.41
4	201 - 300	1526	3.55	389355	0.33
5	301 - 500	3280	7.62	1548003	1.32
6	501 - 1000	1021	2.37	840927	0.72
7	1001 - 5000	916	2.13	2093161	1.78
8	5001 - 10000	112	0.26	836464	0.71
9	10001 - 20000	60	0.14	831087	0.71
10	20001 - 50000	29	0.07	860142	0.73
11	50001 - 100000	19	0.04	1242596	1.06
12	100001 and above	31	0.07	107419817	91.42
	Total	**43046**	**100.00**	**117500000**	**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	59078010	50.28	59078010	50.28
Domestic Companies	135	31047386	26.42	31034131	26.41
Mutual Funds	7	10396875	8.85	10390875	8.84
Public - Individuals	42249	9042596	7.70	8183446	6.96
Foreign Portfolio Investors	32	6158974	5.24	6158974	5.24
Insurance Companies	1	2480	0.00	2480	0.00
Non-Resident Indians	538	755195	0.64	755195	0.64
Clearing Members	64	92954	0.08	92954	0.08
Indian Financial Institutions/Banks	4	19750	0.02	500	0.00
IEPF	1	901340	0.77	901340	0.77
Trusts	1	4440	0.00	4440	0.00
Total	**43046**	**117500000**	**100.00**	**116602345**	**99.24**

m. Dematerialisation 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 – INE229C01021. Shares representing more than 99.24% of the share capital were kept in dematerialised form as on 31st March 2022 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
897655	0.76	65843967	56.04	50758378	43.20	117500000	100.00

n. Details of Outstanding GDR / ADR / Warrants or any other Convertible Instruments:

The Company has not issued any GDR/ADR.

o. Plants Location:

Cement Plants:

1. Mattampally
   Via: Huzurnagar
   Suryapet District, Telangana – 508 204
   Tel: 08683–247039

2. Bayyavaram Village
   Kasimkota Mandal
   Visakhapatnam District
   Andhra Pradesh – 531 031
   Tel: 08924 – 244098 / 244550

3. Gudipadu Village
   Yadiki Mandal
   Ananthapur District
   Andhra Pradesh – 515408
   Tel: 08558-200272

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 (M) Pvt. Ltd.

Karondiya (Vill.)
Post – Jeerabad-454446
The Gandhwani
Dist. Dhar (M.P.)

Plant location of the Wholly-Owned Subsidiary viz. Jajpur Cements Pvt. Ltd.

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 – 500 033
Tel. 040 – 23351571 Fax: 040 – 23356573
E-mail: soundar@sagarcements.in

q. Credit Rating and Details of Revision:

Rating Agency	Type of Instrument	Rating as on 1st April 2021	Rating as on 31st March 2022
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND A-/ Stable/IND A2 +	IND A/RWE / IND A1/RWE
	Non-Fund based Working Capital Limits	IND A2 +	IND A1/RWE
	Term Loan	IND A- / Stable	IND A/RWE
	Non-convertible Debentures (NCDs)	-	IND A/RWE

11. Other Disclosures

i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2021-22 as per the Ind AS 24 issued by Institute of Chartered Accountants of India ("the ICAI") have been given under Note 34 of the Notes to Standalone Financial Statements for the year ended 31st March 2022. 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 wherever required.

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://sagarcements.in/wp- content/ uploads/ 2020/08/ SCL_Policy-on-Related-Party-Transactions.pdf and https://sagarcements.in/wp-content/uploads/2020/08/Scl_Policy-on-Material-Subsidiary_27.1.16.pdf 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 utilised 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 45% 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 optimising 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		
			OTC	Exchange	OTC	Exchange	Total
Pet Coke / Coal (Imported)	85.76	1,04,649	100%	-	100%	-	100%
Pet Coke / Coal (Domestic)	304.65	4,14,872	0%	-	0%	-	0%

vii. Utilisation of Funds Raised through Issue of Non-Convertible Debentures

During the financial year 2021-22, the Company issued on private placement basis and allotted 5,000 Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹ 1,00,000/- (Rupees One Lakh only) each, aggregating to ₹ 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only). The funds raised through NCDs have been utilised to meet general business requirements, addressing working capital needs as well as expansion of business activities.

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 recommendations made by any Committee at its meetings was rejected by the Board.

x. Fee paid to Statutory Auditors:

A total fee of ₹ 105 Lakhs was paid to the Statutory Auditors towards all services rendered by them to the Company and to its subsidiaries viz. Sagar Cements (M) Private Limited and Jajpur Cements Private Limited for the year 2021-22.

xi. Disclosure in Relation to Sexual Harassment

During the year 2021-22, 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 2022 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.

12. 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.

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

(a) The financial statements of the Company are with un-modified opinion.

(b) The Internal Auditors of the Company are directly reporting to the Audit Committee.

(c) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director.

14. The Company is in 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.

15. The compliance certificate from the Company Secretary in practice regarding compliance with conditions of corporate governance has been annexed to the Directors Report.

16. 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:

Sl. No.	Description	Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	4	800
b	Number of shareholders who approached claiming shares against the above	1	100
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	3	3500

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 recognises that the business enterprises are accountable not only to their shareholders from a financial performance perspective 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

<table>
<tr><th>Sl. No.</th><th colspan="2">Particulars</th><th colspan="4"></th></tr>
<tr><td>1</td><td colspan="2">Corporate Identity Number (CIN) of the Company</td><td colspan="4">L26942TG1981PLC002887</td></tr>
<tr><td>2</td><td colspan="2">Name of the Company</td><td colspan="4">SAGAR CEMENTS LIMITED</td></tr>
<tr><td>3</td><td colspan="2">Registered address</td><td colspan="4">Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033, Telangana, India</td></tr>
<tr><td>4</td><td colspan="2">Website</td><td colspan="4">www.sagarcements.in</td></tr>
<tr><td>5</td><td colspan="2">E-mail ID</td><td colspan="4">info@sagarcements.in</td></tr>
<tr><td>6</td><td colspan="2">Financial Year reported</td><td colspan="4">Year ended 31/03/2022</td></tr>
<tr><td rowspan="2">7</td><td colspan="2" rowspan="2">Sector(s) that the Company is engaged in (Industrial activity code wise)</td><td>Group</td><td>Class</td><td>Sub Class</td><td>Description</td></tr>
<tr><td>239</td><td>2394</td><td>23941 & 23942</td><td>Manufacture of Clinker and Cement</td></tr>
<tr><td>8</td><td colspan="2">List three key products / services that the Company manufactures / provides (as in balance sheet)</td><td colspan="4">Manufacture of Clinker & Cements of OPC, PPC, PSC, SRC & GGBS grades</td></tr>
<tr><td>9</td><td colspan="2">Total number of locations where business activity is undertaken by the Company</td><td colspan="4"></td></tr>
<tr><td></td><td>a)</td><td>Number of International Locations (Provide details of major 5):</td><td colspan="4">Nil</td></tr>
<tr><td></td><td>b)</td><td>Number of National Locations</td><td colspan="4">Cement Plants:
Mattampally, Via, Huzurnagar, Suryapet District
Telangana-508204

Bayyavaram Village, Kasimkota Mandal
Visakhapatnam District-531031, Andhra Pradesh

Gudipadu Village, Yadiki Mandal, Ananthapur District
Andhra Pradesh-515408

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</td></tr>
<tr><td rowspan="2">10</td><td colspan="2" rowspan="2">Markets served by the Company- Local / State / National / International</td><td>Local</td><td>State</td><td>National</td><td>International</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>-</td></tr>
</table>

Section B: Financial details of the Company

<table>
<tr><td>1</td><td>Paid-up Capital (INR)</td><td>₹ 2,350 Lakhs</td></tr>
<tr><td>2</td><td>Total Turnover (INR)</td><td>₹ 1,56,429 Lakhs</td></tr>
<tr><td>3</td><td>Total profit after taxes (INR)</td><td>₹ 10,378 Lakhs</td></tr>
<tr><td>4</td><td>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</td><td>The Company has spent ₹ 255 Lakhs on CSR activities, constituting 3.32% of the average profit after taxes in the previous three financial years.</td></tr>
<tr><td>5</td><td colspan="2">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:</td></tr>
</table>

Sl. 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 (₹)
1	Preventive Health Care and for Promotion of Safe Drinking Water	Preventive health care and promotion of sanitation and making available safe drinking water.	1,27,48,761
2	Training and Education	Promotion of Education and infrastructure for it.	49,90,862
3	Training and Promotion of Sports	Organising sports events and sponsor of sports personnel	3,23,521
4	Rural Development	Laying of Roads and related works	73,92,890
	Total CSR spent		**2,54,56,034**

Section C: Other Details

1	Does the Company have any Subsidiary Company / Companies?	Yes. The Company has two subsidiary companies viz. 1. Sagar Cements (M) Private Limited 2. Jaipur 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. M/s. Sagar Cements (M) Private Limited and M/s. Jajpur Cements Private Limited participates in the BR initiatives of the parent company.
	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 2022, 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								

(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 2022, 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

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 up to 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 environment 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 organisations 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:
	(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 utilising 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

Consumption per unit of Production	FY2021-22	FY2020-21
Electricity (KWH/T of Cement)	78.89	75.85
Thermal Energy (K.Cal/Kg of Clinker)	742	723

	(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 limestone 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 optimise 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, limestone, 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 is entirely used in the cement production. The waste 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 751 (Managerial – 211 & Non-Managerial - 535)
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 - 1047 (Packing Plant & Other areas) (Mines & security not included)
3	Please indicate the Number of permanent women employees	8
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognised by the management	Yes. There are recognised 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 recognised employee association?	23.16%
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	91%
	(b) Permanent Women Employees	Nil
	(c) Casual / Temporary / Contractual Employees	100%
	(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 & marginalised 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 marginalised 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 marginalised 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 sanitisation 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) Utilisation 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. (b) 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. (c) The Company continuously monitor and takes measures for reducing power and fuel consumption. (d) 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 organisation?	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?	₹ 255 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 31/03/2022 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,
Sagar Cements Limited,
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 Limited** 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 and 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 March 31st 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Disclosure with Respect to Unclaimed Shares:

Sl. 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 Fernand Pascal Bertrand	06391176	17/10/2012
07	Jens Van Nieuwenborgh (Alternate Director to John Eric Fernand Pascal Bertrand)	07638244	20/11/2018
08	Rekha Onteddu	07938776	30/06/2020
09	Sudha Rani Naga	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: A022119D000300650

Place: Hyderabad
Date: 11th May 2022

Declaration Regarding Compliance 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 31st 2022, 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 31st 2022.

Hyderabad
11th May 2022

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

Certificate on Corporate Governance

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

1. We have examined the compliance of the conditions of Corporate Governance by Sagar Cements Limited (the 'Company') for the financial year ended on March 31st 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations').

Management's Responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. 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 the SEBI Listing Regulations.

Our Responsibility

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

Opinion

4. 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, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31st 2022.

Other Matters and Restriction on Use

5. This report 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

6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

S. Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: A022119D000300716

Place: Hyderabad
Date: 11th May 2022

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, 2022, 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, 2022 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 judgement, was 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 Equaliser Discounts (Refer Note 38 of the standalone financial statements) ▪ Revenue is measured net of price equaliser discounts. ▪ Due to the Company's presence across different marketing regions within the country and the competitive business environment, price equaliser 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 reports are collated periodically by the management and are prone to compilation errors. ▪ Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price equaliser discounts.	**Principal audit procedures performed:** ▪ Assessed the appropriateness of the Company's accounting policies relating to Price Equaliser discounts by comparing with Ind AS 115. ▪ 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 relating to price equaliser discounts. ▪ Obtained and inspected, on a sample basis, supporting documentation for price equaliser discounts recorded and credit notes 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 equaliser discounts to sales made to identify outliers and held inquiries with the management on the appropriateness of current year's discount.

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 Management Discussion & Analysis, Board's Report and Report on Corporate Governance including Annexures but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon
- 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 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.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 judgement and maintain professional scepticism 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 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.

iv. a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 6 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 51(iv) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 39 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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: 22201193AIUBQK2310)

Place: Hyderabad
Date: May 11, 2022

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, 2022 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 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, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 22201193AIUBQK2310)

Place: Hyderabad
Date: May 11, 2022

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that.

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, Capital work-in-progress and relevant details of right-of-use of assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a programme of verification of property, plant and equipment, Capital work-in-progress and right-of-use of assets so to cover all the items once every 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 programme, certain property, plant and equipment were due for verification during the year and 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) Based on the examination of the registered sale deed/ transfer deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans, guarantees etc., are held in the name of the Company based on the confirmations directly received by us from lenders.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories (except for goods-in-transit, which have been received subsequent to the year-end), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories procedures performed as applicable, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments in, provided guarantee or security and granted unsecured loans to companies during the year, in respect of which:

(a) The Company has made investment, provided loans, guarantee and security during the year and details of which are given below:

(₹ Lakhs)

Particulars	Investment	Loans	Guarantees	Security
Aggregate amount granted / provided during the year:				
- Subsidiaries	4,524	54,613	6,000	900
Balance outstanding as at Balance Sheet date in respect of the above case:				
- Subsidiaries	27,749	51,413	37,000	8,788

The Company has not provided any advances in the nature of loans to any to other entity during the year

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, *prima facie,* not prejudicial to the Company's interest.

(c) In respect of loans granted provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees, and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. 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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount Unpaid (₹ Lakhs)	Amount paid under protest (₹ Lakhs)	Period(s) to which the amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	260	46	2011-12 to 2013-14	CESTAT
		222	1,601	2010-11 to 2017-18	Commissioner of Appeals
		41	-	2014-15 to 2015-16	Assistant Commissioner
Sales Tax and VAT laws	Sales Tax and VAT	15	5	1999-2000	Sales Tax Appellate Tribunal
		87	-	2008-09 to 2010-11	High Court of Telangana and Andhra Pradesh
		157	52	2017-18 to 2018-19	
Central Goods & Services Tax, 2017	GST	7	-	2017-18	Superintendent of Central Tax
Customs Act, 1962	Customs Duty	301	4	2011-12 to 2012-13	CESTAT
Income Tax Act, 1961	Income Tax	28	-	2009-10 to 2010-11	Income Tax Appellate Tribunal
		1,739	160	2011-12 to 2012-13	Commissioner of Income Tax (Appeals)
		1,904	-	2015-16 to 2016-17	
Local Areas Act, 2001	Entry Tax	7	4	2012-13 to 2015-16	Additional Divisional Commissioner, Rural Division, Hyderabad
		87	28	2016-17 to 2017-18	High Court of Telangana and Andhra Pradesh

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (full or partly or optionally) and hence reporting under clause (x)(b) of Order is not applicable.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2021 and the final internal audit report where issued after the balance sheet date covering the period January 2022 to March 2022 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 22201193AIUBQK2310)

Place: Hyderabad
Date: May 11, 2022

Balance Sheet

as on March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note	As at March 31, 2022	As at March 31, 2021 *
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,19,588	1,18,177
(b) Capital work-in-progress	43	2,936	2,844
(c) Goodwill	40	3,873	3,873
(d) Intangible assets			
(i) Mining rights	3	2,186	2,354
(ii) Other intangible assets	3	32	32
(e) Right of use assets	4	292	59
(f) Financial assets			
(i) Investments	5	28,473	23,888
(ii) Loans	6	51,413	2,500
(iii) Other financial assets	7	1,574	1,468
(g) Income tax assets (net)	28	463	450
(h) Other non-current assets	8	2,860	1,327
Total Non-current assets		**2,13,690**	**1,56,972**
Current assets			
(a) Inventories	9	17,372	12,428
(b) Financial assets			
(i) Trade receivables	10	12,411	10,074
(ii) Cash and cash equivalents	11	14,047	21,438
(iii) Bank balances other than cash and cash equivalents	12	1,622	1,276
(iv) Other financial assets	7	2,278	329
(c) Other current assets	8	8,109	5,595
Total Current assets		**55,839**	**51,140**
TOTAL ASSETS		**2,69,529**	**2,08,112**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,350	2,350
(b) Other equity	14	1,27,061	1,17,144
Total Equity		**1,29,411**	**1,19,494**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	58,916	23,110
(ia) Lease liabilities	35	166	42
(ii) Other financial liabilities	16	6,806	7,391
(b) Provisions	17	728	613
(c) Deferred tax liabilities (net)	28	9,769	6,804
(d) Other non-current liabilities	19	229	229
Total Non-current liabilities		**76,614**	**38,189**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	30,164	16,845
(ia) Lease liabilities	35	154	24
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		60	17
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,153	22,773
(iii) Other financial liabilities	16	1,663	783
(b) Provisions	17	301	437
(c) Income tax liabilities (net)	28	1,275	1,164
(d) Other current liabilities	19	10,734	8,386
Total Current liabilities		**63,504**	**50,429**
Total Liabilities		**1,40,118**	**88,618**
Total Equity and Liabilities		**2,69,529**	**2,08,112**
Corporate information and significant accounting policies	1		

* Refer Note 40

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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021 *
I	Revenue from operations	20	1,56,786	1,37,488
II	Other income	21	2,691	854
III	**Total Income (I + II)**		**1,59,477**	**1,38,342**
IV	**Expenses**			
	(a) Cost of materials consumed	22	25,556	19,710
	(b) Purchases of stock-in-trade	23A	2,017	2,028
	(c) Changes in inventories of finished goods and work-in-progress	23B	(3,447)	2,236
	(d) Employee benefit expenses	24	8,101	7,624
	(e) Finance costs	25	6,934	4,607
	(f) Depreciation and amortisation expense	26	8,035	8,057
	(g) Power and fuel expenses		48,352	26,143
	(h) Freight and forwarding		27,253	23,422
	(i) Other expenses	27	20,345	16,110
	Total Expenses		**1,43,146**	**1,09,937**
V	**Profit before tax (III - IV)**		**16,331**	**28,405**
VI	**Tax expense**			
	(a) Current tax	28	3,056	4,229
	(b) Deferred tax	28	2,897	5,250
	Total Tax expense		**5,953**	**9,479**
VII	**Profit after tax (V - VI)**		**10,378**	**18,926**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	(a) Remeasurement of the defined benefit plan	33	195	11
	(ii) Income tax relating to items that will not be reclassified to profit and loss	28	(68)	(4)
	Other comprehensive income for the year, net of tax		**127**	**7**
IX	**Total comprehensive income (VII + VIII)**		**10,505**	**18,933**
X	**Earnings per share (Face value of ₹ 2 each (March 31, 2021: Face value of ₹ 2 each) (Refer Note 13(a))**			
	Basic and Diluted	36	8.83	16.36
	Corporate information and significant accounting policies	1		
	* Refer Note 40			
	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 11, 2022

For and on behalf of the Board of Directors

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Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance at March 31, 2020	2,228
Changes in equity share capital during the year (Refer Note 44(a))	122
Balance at March 31, 2021	**2,350**
Changes in equity share capital during the year (Refer Note 13(a))	-
Balance at March 31, 2022	**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, 2020	**35**	**45,507**	**3,598**	**49,839**	**(192)**	**2,236**	**1,01,023**
Effect of business combination (Refer Note 40)	-	-	-	(7,839)	(29)	-	(7,868)
Profit for the year	-	-	-	18,926	-	-	18,926
Dividend on equity shares (Refer Note 39)	-	-	-	(1,528)	-	-	(1,528)
Other comprehensive income for the year (net of tax ₹ 4)	-	-	-	-	7	-	7
Money received against share warrant (Refer Note 44(a))	-	-	-	-	-	6,706	6,706
Allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	-	-	-	-	(122)	(122)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	8,820	-	-	-	(8,820)	-
Balance as at March 31, 2021	**35**	**54,327**	**3,598**	**59,398**	**(214)**	**-**	**1,17,144**
Profit for the year	-	-	-	10,378	-	-	10,378
Dividend on equity shares	-	-	-	(588)	-	-	(588)
Other comprehensive income for the year (net of tax ₹ 68)	-	-	-	-	127	-	127
Balance at March 31, 2022	**35**	**54,327**	**3,598**	**69,188**	**(87)**	**-**	**1,27,061**

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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Statement of Cash Flows

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021 *	
A Cash flow from operating activities				
Profit before tax		16,331		28,405
Adjustments for				
Depreciation and amortisation expense	8,035		8,057	
Finance costs	6,934		4,607	
Interest income	(2,531)		(404)	
Liabilities no longer required written back	(81)		(46)	
Expected credit loss allowance on trade receivables	202		85	
Provision for incentives receivable from government	775		84	
Unrealised loss on foreign currency transactions and translation	-		54	
Net loss on fair value change in financial instruments	6		166	
Loss/(profit) on sale of property, plant and equipment (net)	38		(50)	
		13,378		12,553
Operating profit before working capital changes		**29,709**		**40,958**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(2,540)		3,517	
Inventories	(4,944)		(848)	
Other financial assets	131		97	
Other assets	(3,358)		(2,182)	
		(10,711)		**584**
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(3,496)		546	
Other financial liabilities	358		(85)	
Provisions	174		(260)	
Other liabilities	2,348		4,215	
		(616)		4,416
Cash generated from operating activities		**18,382**		**45,958**
Less: Income tax paid		(2,958)		(3,656)
Net cash generated from operating activities		**15,424**		**42,302**
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(11,250)		(3,137)	
Deposits not considered as cash and cash equivalents				
- Placed	(1,199)		(380)	
- Matured	464		-	
Proceeds from disposal of plant and equipment	487		103	
Investments in subsidiaries during the year	(4,524)		(10,425)	
Unsecured loans given to subsidiaries (net)	(48,913)		(2,500)	
Interest received	615		266	
Net cash used in investing activities		**(64,320)**		**(16,073)**
C Cash flow from financing activities				
Proceeds from allotment of equity shares upon conversion of warrants	-		6,706	
Proceeds from non-current borrowings	53,823		5,901	
Repayment of non-current borrowings	(7,446)		(7,348)	
Proceeds from loan from others and related parties (net)	-		138	
Repayment of unsecured loans from related party	(900)		-	
Proceeds from/(repayment of) current borrowings (net)	2,748		(3,846)	
Repayment of lease liabilities	(161)		(154)	
Finance costs	(5,971)		(4,838)	
Dividends paid	(588)		(1,528)	
Net cash generated from / (used in) financing activities		**41,505**		(4,969)

Statement of Cash Flows

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 *
Net (decrease)/increase in cash and cash equivalent (A+B+C)	**(7,391)**	**21,260**
Cash and cash equivalent at the beginning of the year (Refer Note 40)	21,438	178
Cash and cash equivalent at the end of the year (Refer Note 11)	**14,047**	**21,438**
Note:		
Cash and cash equivalents comprises of:		
Cash in hand	2	1
Balances with banks	1,545	587
Deposits with banks	12,500	20,850
Cash and cash equivalents (Refer Note 11)	**14,047**	**21,438**

* Refer Note 40

Reconciliations of liabilities from financing activities:

Particulars	As at April 01, 2021	Effect of business combination (Refer Note 40)	Proceeds	Repayment	Fair value changes	As at March 31, 2022
Long-term borrowings (including current maturities)	29,738	-	53,823	(7,446)	-	76,115
Loan from related party and others	1,093	-	-	(900)	-	193
Short-term borrowings	10,217	-	2,748	-	-	12,965
Total liabilities from financing activities	**41,048**	**-**	**56,571**	**(8,346)**	**-**	**89,273**

Particulars	As at April 01, 2020	Effect of business combination (Refer Note 40)	Proceeds	Repayment	Fair value changes	As at March 31, 2021
Long-term borrowings (including current maturities)	14,792	16,393	5,901	(7,348)	-	29,738
Loan from related party and others	-	955	138	-	-	1,093
Short-term borrowings	10,765	3,298	-	(3,846)	-	10,217
Total liabilities from financing activities	**25,557**	**20,646**	**6,039**	**(11,194)**	**-**	**41,048**

Reconciliation of lease liability:

Particulars	As at April 01, 2021	Effect of business combination (Refer Note 40)	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2022
Lease liabilities	66	-	388	27	(161)	320

Particulars	As at April 01, 2020	Effect of business combination (Refer Note 40)	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2021
Lease liabilities	136	27	48	9	(154)	66

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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

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) of India Limited and the BSE Limited.

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, mining rights and land restoration is calculated on a straight-line basis and property, plant and equipment other than stated above 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 as estimated by the management. Amortisation of intangible assets is calculated on diminishing balance method considering the useful life estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, 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 recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

- **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.

- **Mining rights**

  The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

  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.

v) **Business combination**

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining

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entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

Goodwill

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 cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

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.

A cash generating unit to which mining right 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 mining rights 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 mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

vi) 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 Company'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.

vii) Revenue recognition:

The Company derives revenue from the sale of cement and recognises 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 recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power:

In case of power generation, revenue from sale of energy is recognised 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.

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.

viii) 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.

ix) Government grants

Grants from the Government are recognised when there is reasonable assurance that:

a) The Company will comply with the conditions attached to them; and

b) The grant will be received.

x) 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 recognised 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.

xi) 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 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

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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.

xii) 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, 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 componentisation 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.

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.

xiii) Intangible assets and amortisation

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 for software and mining rights is charged under straight line method over the period of the respective mining agreement. 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.

xiv) 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.

xv) 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) before 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.

xvi) 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.

xvii) Financial Instruments:

(A) Initial recognition:

Financial assets and financial liabilities are recognised 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 recognised 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 other than investment in equity instruments of subsidiaries to present the

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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 amortised cost using the effective interest method, except for contingent consideration recognised 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 amortised 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.

(C) De-recognition of financial assets and liabilities:

a) Financial assets:

The Company derecognises 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 recognise the financial asset and also recognises a collateralised 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 recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b) Financial liabilities:

The Company derecognises 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 derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

xviii) 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.

xix) 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.

xx) Impairment of assets

a) Financial assets:

The Company recognises 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 recognised is recognised 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 recognised 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 recognised 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 recognised 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 amortisation or depreciation) had no impairment loss been recognised 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

xxi) 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.

xxii) Provisions, contingent liabilities and contingent assets

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).

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

xxiii) 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 Company's performance and allocates resources based on analysis of various performance indicators by business segments.

xxiv) 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 judgement. 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.

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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 recognises 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 Company recognises 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 recognised 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 amortised 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.

xxv) 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.

xxvi) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Land – freehold	9,787	9,787
Land – restoration	149	159
Buildings	19,058	18,939
Plant and machinery	78,572	77,896
Furniture and fittings	121	146
Office and other equipment	1,798	1,229
Electrical installations	4,491	4,325
Computers	81	62
Vehicles	460	314
Railway siding	5,071	5,320
Total	**1,19,588**	**1,18,177**

For the year 2021-22

Description of Assets	Land – freehold	Land – restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block											
Opening Balance	9,787	229	30,437	1,16,161	906	5,412	12,567	496	1,267	6,684	1,83,946
Add: Additions	-	-	1,714	5,581	11	942	1,019	58	316	-	9,641
Less: Disposals	-	-	-	593	-	749	15	-	149	-	1,506
Balance as at March 31, 2022	**9,787**	**229**	**32,151**	**1,21,149**	**917**	**5,605**	**13,571**	**554**	**1,434**	**6,684**	**1,92,081**
II. Accumulated depreciation											
Opening Balance	-	70	11,498	38,265	760	4,183	8,242	434	953	1,364	65,769
Add: Depreciation expense	-	10	1,595	4,461	36	307	851	39	159	249	7,707
Less: Eliminated on disposal of assets	-	-	-	149	-	683	13	-	138	-	983
Balance as at March 31, 2022	**-**	**80**	**13,093**	**42,577**	**796**	**3,807**	**9,080**	**473**	**974**	**1,613**	**72,493**
Net block (I-II)											
Carrying value as at March 31, 2022	**9,787**	**149**	**19,058**	**78,572**	**121**	**1,798**	**4,491**	**81**	**460**	**5,071**	**1,19,588**
Carrying value as at March 31, 2021	9,787	159	18,939	77,896	146	1,229	4,325	62	314	5,320	1,18,177

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 siding	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: Effect of business combination (Refer Note 40)	2,742	50	4,625	45,561	67	721	3,636	170	453	-	58,025
Add: Additions	-	-	261	1,179	2	175	187	34	88	-	1,926
Less: Disposals	6	-	-	18	-	-	13	-	154	-	191
Balance as at March 31, 2021	**9,787**	**229**	**30,437**	**1,16,161**	**906**	**5,412**	**12,567**	**496**	**1,267**	**6,684**	**1,83,946**
II. Accumulated depreciation											
Opening Balance	-	45	8,150	21,766	666	3,398	4,870	244	657	1,115	40,911
Add: Effect of business combination (Refer Note 40)	-	13	1,618	12,133	46	515	2,474	162	293	-	17,254
Add: Depreciation expense	-	12	1,730	4,368	48	270	901	28	136	249	7,742
Less: Eliminated on disposal of assets	-	-	-	2	-	-	3	-	133	-	138
Balance as at March 31, 2021	**-**	**70**	**11,498**	**38,265**	**760**	**4,183**	**8,242**	**434**	**953**	**1,364**	**65,769**
Net block (I-II)											
Carrying value as at March 31, 2021	**9,787**	**159**	**18,939**	**77,896**	**146**	**1,229**	**4,325**	**62**	**314**	**5,320**	**1,18,177**
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

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 1,18,979 (March 31, 2021: ₹ 1,17,704) are subject to a *pari passu* first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles and land restoration) are subject to *a pari passu* second charge on the Company's current borrowings. Refer Note 15.
2. Vehicles with carrying amount of ₹ 460 (March 31, 2021: ₹ 314) are hypothecated to respective banks against vehicle loans. Refer Note 15.
3. The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its Property, plant and equipment.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

3. Other intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Computer software	32	32
Mining rights	2,186	2,354
Total	**2,218**	**2,386**

For the year 2021-22

Particulars	Computer Software	Mining rights (Refer Note 40)	Total
I. Gross Block			
Opening Balance	**417**	**3,276**	**3,693**
Add: Additions	5	-	5
Less: Disposals	-	-	-
Balance as at March 31, 2022	**422**	**3,276**	**3,698**
II. Accumulated amortisation			
Opening Balance	**385**	**922**	**1,307**
Add: Amortisation expense	5	168	173
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2022	**390**	**1,090**	**1,480**
Net block (I-II)			
Carrying value as at March 31, 2022	**32**	**2,186**	**2,218**
Carrying value as at March 31, 2021	32	2,354	2,386

For the year 2020-21

Particulars	Computer Software	Mining rights (Refer Note 40)	Total
I. Gross Block			
Opening Balance	**267**	**-**	**267**
Add: Effect of business combination (Refer Note 40)	139	3,276	3,415
Add: Additions	11	-	11
Less: Disposals	-	-	-
Balance as at March 31, 2021	**417**	**3,276**	**3,693**
II. Accumulated amortisation			
Opening Balance	**254**	**-**	**254**
Add: Effect of business combination (Refer Note 40)	129	754	883
Add: Amortisation expense	2	168	170
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2021	**385**	**922**	**1,307**
Net block (I-II)			
Carrying value as at March 31, 2021	**32**	**2,354**	**2,386**
Carrying value as at March 31, 2020	13	-	13

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

4. Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Buildings	292	59
Total	**292**	**59**

Buildings:

Particulars	As at March 31, 2022	As at March 31, 2021
I. Gross block		
Opening Balance	**341**	**242**
Add: Effect of business combination (Refer Note 40)	-	50
Add: Additions	388	49
Less: Deletion	-	-
Closing Balance	**729**	**341**
II. Accumulated depreciation		
Opening Balance	**282**	**112**
Add: Effect of business combination (Refer Note 40)	-	25
Add: Depreciation expense	155	145
Closing Balance	**437**	**282**
Net block (I-II)		
Carrying Value	292	59

Note: Refer Note 35 on operating lease.

5. Investments in subsidiaries

Particulars	As at March 31, 2022		As at March 31, 2021	
	No, of equity shares	Amount	No, of equity shares	Amount
Investments in equity instruments (Unquoted)				
Jajpur Cements Private Limited (100%, (March 31, 2021: 100%) shareholding) (Refer Note (i) below and Note 44)	10,76,80,000	11,054	8,19,30,000	8,479
Sagar Cements (M) Private Limited (65%, (March 31, 2021: 65%) shareholding) (Refer Note (ii) below and Note 44)	32,73,773	17,419	28,97,143	15,409
		28,473		**23,888**
Aggregate amount of unquoted investments		28,473		23,888

Notes:

(i) Includes investment of ₹ 254 (March 31, 2021: ₹ 254) on account of fair valuation of corporate guarantee given by the Company on behalf of Jajpur Cements Private Limited, a wholly-owned subsidiary.

(ii) Includes investment of ₹ 470 (March 31, 2021: ₹ 409) on account of fair valuation of corporate guarantee given by the Company on behalf of Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited), a subsidiary Company. Pursuant to the certificate of incorporation dated October 29, 2021, the Company's subsidiary Satguru Cement Private Limited was renamed to Sagar Cements (M) Private Limited.

(iii) The Company has complied with number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

(iv) 15,10,972 (as at March 31, 2021: 13,37,143) number of shares held as investments in Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) with carrying amount of ₹ 7,823 (as at March 31, 2021: ₹ 6,923) and 96,54,000 (as at March 31, 2021: 96,54,000) number of shares held as investments in Jajpur Cements Private Limited with carrying amount of ₹ 965 (as at March 31, 2021: ₹ 965) have been pledged with the lenders towards borrowings of respective subsidiaries.

All amounts are in ₹ Lakhs unless otherwise stated

6. Loans (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Loans to Subsidiary Companies (Refer Notes 32 and 34)	51,413	2,500
Total loans	**51,413**	**2,500**

Notes:

(i) 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.

(ii) Loans are advanced to Jajpur Cements Private Limited (JCPL), Wholly owned subsidiary of the Company during the year aggregating to ₹ 46,483. JCPL has subscribed to debentures issued by Pridhvi Asset Reconstruction and Securitisation Company Limited on January 31, 2022 amounting to ₹ 42,960.

7. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits	1,063	1,346
Balances held as margin money deposit against borrowings	511	122
Total	**1,574**	**1,468**
Current		
Security deposits	267	165
Advances to employees	116	66
Interest accrued but not due (Refer Note 34)	1,895	92
Derivative assets	-	6
Total	**2,278**	**329**
Total other financial assets	**3,852**	**1,797**

8. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	2,434	970
Prepaid expenses	278	209
Balances with government authorities	148	148
Total	**2,860**	**1,327**
Current		
Advances to suppliers and service providers (Refer Note below)	3,865	837
Prepaid expenses	544	458
Balances with government authorities	379	204
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	3,127	3,902
Considered doubtful	859	84
Less: Provision for doubtful	(859)	(84)
Total	**8,109**	**5,595**
Total other assets	**10,969**	**6,922**

Note: Includes ₹ 48 (March 31, 2021: Nil) advances given to related party. Also Refer Note 34.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

9. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	1,224	1,707
Coal	7,031	4,597
Work-in-progress	3,930	703
Stores and spares	3,724	3,204
Packing materials	402	539
Finished goods (includes inventory of ₹ 5 lakhs on account of purchase stock for March 31, 2022)	954	729
Total (A)	**17,265**	**11,479**
Goods-in-transit:		
Raw materials	2	6
Coal	70	886
Packing materials	35	55
Finished goods	-	2
Total (B)	**107**	**949**
Total inventories (A+B)	**17,372**	**12,428**

Note: Refer Note 1(b)(xiv) for basis of valuation of inventory and refer Note 15 for details of inventory pledged.

10. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good – Secured	1,408	1,123
Trade receivables considered good – Unsecured	11,003	8,951
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	1,092	890
Sub-total	**13,503**	**10,964**
Less: Expected credit loss allowance	(1,092)	(890)
Total trade receivables	**12,411**	**10,074**

Note: Includes ₹ 928 (March 31, 2021: 13) receivable from related party. Also Refer Note 34 and Refer Note 15 for the detail Trade receivable pledged.

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:

FY 2021-22:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	7,465	2,913	1,737	234	42	20	12,411
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	-	77	77	56	48	722	980
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	112	112
Total	**7,465**	**2,990**	**1,814**	**290**	**90**	**854**	**13,503**

All amounts are in ₹ Lakhs unless otherwise stated

FY 2020-21:

Particulars		Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years	Total
(i)	**Undisputed Trade receivables**							
-	considered good	7,166	2,279	189	266	151	23	10,074
-	which have significant increase in credit risk	-	-	-	-	-	-	-
(ii)	**Undisputed Trade Receivables**							
-	credit impaired	-	34	31	138	53	528	784
-	which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	**Disputed Trade Receivables**							
-	considered good	-	-	-	-	-	-	-
-	which have significant increase in credit risk	-	-	-	-	-	-	-
-	credit impaired	-	-	-	-	-	106	106
Total		**7,166**	**2,313**	**220**	**404**	**204**	**657**	**10,964**

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	890	695
Add: Effect of business combination (Refer Note 40)	-	110
Add: Expected credit loss allowance	202	85
Balance at the end of the year	**1,092**	**890**

11. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	2	1
Balances with banks	1,545	587
Deposits with banks	12,500	20,850
Total Cash and cash equivalents	**14,047**	**21,438**

12. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend account	55	64
Margin money deposits (Refer Note below)	1,567	1,212
Total other bank balances	**1,622**	**1,276**

Note: Margin money deposits with banks are against bank guarantees and cash credit facilities.

13. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2021: Equity Shares of ₹ 10 each) (Refer Note (a) below)	69,75,00,000	18,250	2,35,00,000	2,350
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2021: Equity Shares of ₹ 10 each) (Refer Note (a) below)	11,75,00,000	2,350	2,35,00,000	2,350

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

(a) The Board of Directors, at their meeting held on July 01, 2021, recommended for the sub-division of equity shares of the Company from existing face value of ₹ 10/- each into face value of ₹ 2/- each (i.e. split of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each), and the same has been approved by the shareholders in the Annual General Meeting of the Company held on July 28, 2021. Accordingly, face value of the equity shares of the Company now stand at ₹ 2/- each w.e.f. the record date namely August 18, 2021.

Pursuant to merger of Sagar Cements (R) Limited with the Company, authorised equity share capital of ₹ 11,600 and authorised preference share capital of ₹ 4,300 of Transferor Company stand transferred as authorised share capital of the Company (Refer Note 40)

(b) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening balance	2,35,00,000	2,350	2,22,75,000	2,228
Allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	-	12,25,000	122
Stock Split (₹ 10 each into ₹ 2 each)	9,40,00,000	-	-	-
Closing balance	**11,75,00,000**	**2,350**	**2,35,00,000**	**2,350**

(c) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹2 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.

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares of ₹ 2 each	% of holding	No. of shares of ₹ 10 each	% of holding
S. Aruna	68,47,725	5.83%	13,69,545	5.83%
Dr. S. Anand Reddy	65,32,620	5.56%	13,06,524	5.56%
S. Sreekanth Reddy	61,97,015	5.27%	12,39,353	5.27%
R V Consulting Services Private Limited	80,11,490	6.82%	16,02,298	6.82%
AVH Resources India Private Limited	2,56,68,790	21.85%	51,33,754	21.85%

(e) Details of shares held by the promoters in the Company and change during the year:

Name of the shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 10 each	% of total shares	% Change during the year
S. Aruna	68,47,725	5.83%	-	13,69,545	5.83%	-0.32%
Rachana Sammidi	58,36,415	4.97%	-	11,67,283	4.97%	-0.27%
Dr. S. Anand Reddy	65,32,620	5.56%	-	13,06,524	5.56%	-0.31%
S. Sreekanth Reddy	61,97,015	5.27%	-	12,39,353	5.27%	-0.29%
R V Consulting Services Private Limited	80,11,490	6.82%	-	16,02,298	6.82%	1.88%
Vanajatha Sammidi	49,53,845	4.22%	-	9,90,769	4.22%	-0.23%
Siddarth Sammidi	41,09,490	3.50%	-	8,21,898	3.50%	-0.19%
Aneesh Reddy Sammidi	41,09,485	3.50%	-	8,21,897	3.50%	-0.19%
Malathi Reddy Wdaru	37,77,000	3.21%	-	7,55,400	3.21%	-0.18%
Madhavi Nadikattu	26,69,000	2.27%	-	5,33,800	2.27%	-0.13%
P V Narsimha Reddy	10,000	0.01%	-	2,000	0.01%	0.00%
Andhra Pradesh Industrial Development Corporation	15,66,425	1.33%	-	3,13,285	1.33%	-0.08%
Panchavati Polyfibres Limited	1,57,500	0.13%	-	31,500	0.13%	-0.01%
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.66%	-	8,60,000	3.66%	-0.20%

All amounts are in ₹ Lakhs unless otherwise stated

(f) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(g) There are no securities which are convertible into equity shares. In the previous year 2020-21, the Company had converted 12,25,000 warrants into equal number of equity shares. (Refer Note 44(a))

14. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	35	35
Securities premium	54,327	54,327
General reserve	3,598	3,598
Retained earnings	69,188	59,398
Other items of other comprehensive income	(87)	(214)
Total other equity	**1,27,061**	**1,17,144**

Movement in other equity is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	**35**	**35**
Securities premium		
(i) Opening balance	54,327	45,507
(ii) Premium on allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	8,820
	54,327	**54,327**
General reserve	**3,598**	**3,598**
Retained earnings		
(i) Opening balance	59,398	49,839
(ii) Effect of business combination (Refer Note 40)	-	(7,839)
(iii) Profit for the year	10,378	18,926
	69,776	**60,926**
Less: Appropriations		
(i) Dividend on equity shares (Refer Note 39)	588	1,528
	69,188	**59,398**
Other items of other comprehensive income		
(i) Opening balance	(214)	(192)
(ii) Effect of business combination (Refer Note 40)	-	(29)
(iii) Other comprehensive income for the year	127	7
	(87)	**(214)**
Money received against share warrants		
(i) Opening balance	-	2,236
(ii) Money received against share warrant (Refer Note 44(a))	-	6,706
(iii) Allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	(122)
(iv) Premium on allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	(8,820)
	-	-
Total	**1,27,061**	**1,17,144**

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.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

(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.

15A. Non-current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans (Refer Note (i) below)	33,522	15,033
Non-convertible debentures (Refer Note (ii) below)	25,394	8,077
Total non-current borrowings	**58,916**	**23,110**

* Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".

Notes (i):

As at March 31, 2022

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	1,094	4 quarterly instalments	6.50%
Axis Bank Limited (Refer Note 2 below)	491	12 monthly instalments	7.90%
HDFC Bank Limited (Refer Note 2 below)	2,194	50 monthly instalments	6.00%
Axis Finance Limited (Refer Note 2 below)	14,775	18 quarterly instalments	10.00%
Piramal Capital & Housing Finance Limited (Refer Note 2 below)	9,950	48 monthly instalments	11.00%
Axis Bank Limited (Refer Note 3 below)	1,150	8 quarterly instalments	7.90%
Axis Bank Limited (Refer Note 4 below)	2,533	16 quarterly instalments	7.90%
State Bank of India (Refer Note 5 below)	2,399	16 quarterly instalments	8.50%
State Bank of India (Refer Note 6 below)	55	1 monthly instalments	6.95%
Axis Bank Limited (Refer Note 7 below)	1,630	46 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)	2,625	14 quarterly instalments	8.20%
State Bank of India(Refer Note 10 below)	11	1 monthly instalments	6.95%
The Federal Bank Limited (Refer Note 11 below)	1,011	48 monthly instalments	6.75%
Vehicle loans from various banks (Refer Note 12 below)	495	2 - 35 monthly instalments	7.16% to 9.31%
Less: Current maturities of non-current borrowings	(9,891)		
Total	**33,522**		

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%
Vehicle loans from various banks (Refer Note 12 below)	181	5 - 21 monthly instalments	8.50% to 9.50%
Less: Current maturities of non-current borrowings	(4,320)		
Total	**15,033**		

All amounts are in ₹ Lakhs unless otherwise stated

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. 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 – Joint Managing Director.
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, Joint Managing Director.
11. This term loan is secured by first *pari passu* charge on asset to be created through proceeds of the loan and second *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 National credit guarantee trustee Ltd.
12. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.
13. The Company has used the borrowings for the purposes for which it was taken.

Note (ii):

1. Non-Convertible Debentures (NCD) have been issued to Investec Bank PLC-VRR 1 and Emerging India Credit Opportunities Fund I. A total of 25,000 NCD's have been issued (₹ 1 lakh each) aggregating ₹ 25,000. Interest payable on the NCD's is @11.50%. The NCD's were issued on November 20, 2021. Interest is payable at half yearly rest with effect from June 01, 2022. Repayment for the NCD's are to be made in 5 equal half yearly instalments of ₹ 5,000 starting from December 01, 2022 onwards. The NCD's are 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.
2. 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, six instalments were paid up to 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, Joint Managing Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.
3. The Company has used the borrowings for the purposes for which it was taken.

15B. Current borrowings (Secured, amortised at cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
Cash credit facilities (Refer Notes below)	12,965	10,217
Current maturities of non-current borrowings (Refer Note 15A)	17,199	6,628
Total current borrowings	**30,164**	**16,845**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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. (2020-21: 7.90% p.a.to 8.85% 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 @ 7.60% to 7.70% p.a. (2020-21: 7.70% p.a.to 8.40% 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 @ 7.20% p.a. to 7.90% p.a. (2020-21: 7.90% p.a. to 8.40% 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, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. (2020-21: 7.90% p.a to 9.80% 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, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. (2020-21: 7.90% p.a to 8.95% p.a.).
6. The Company has used the borrowings for the purposes for which it was taken.
7. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

16. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits received	6,124	5,757
Guarantee obligation	489	541
Loans from others	193	193
Loans from related party (Refer Note 34)	-	900
Total	**6,806**	**7,391**
Current		
Interest accrued but not due on borrowings	1,409	472
Unclaimed dividends (Refer Note below)	55	64
Payables on purchase of property, plant and equipment	199	247
Total	**1,663**	**783**
Total other financial liabilities	**8,469**	**8,174**

Note:

As at March 31, 2022 (March 31, 2021: ₹ 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, 2022	As at March 31, 2021
Gratuity (Refer Note 33)	577	651
Compensated absences (Refer Note 33)	452	399
Total provisions	**1,029**	**1,050**
Non-current		
Gratuity	399	330
Compensated absences	329	283
Total	**728**	**613**
Current		
Gratuity	178	321
Compensated absences	123	116
Total	**301**	**437**

All amounts are in ₹ Lakhs unless otherwise stated

18. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME)	60	17
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,153	22,773
Total trade payables	**19,213**	**22,790**

Trade payables ageing schedule for the year ended March 31, 2022 and March 31, 2021:

FY 2021-22:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	-	60	-	-	-	-	60
(ii) Others	3,345	13,102	2,358	21	50	277	19,153
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,345**	**13,162**	**2,358**	**21**	**50**	**277**	**19,213**

FY 2020-21:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	-	17	-	-	-	-	17
(ii) Others	2,571	16,806	2,902	49	3	442	22,773
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**2,571**	**16,823**	**2,902**	**49**	**3**	**442**	**22,790**

19. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Liability for land restoration	229	229
Total	**229**	**229**
Current		
Advance from customers (Refer Note below)	7,400	5,149
Statutory remittances	3,334	3,237
Total	**10,734**	**8,386**
Total other liabilities	**10,963**	**8,615**

Note: Includes ₹ 1,164 (March 31, 2021: Nil) advance received from related party. Also Refer Note 34.

20. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Revenue from		
- Sale of cement (Refer Note 38)	1,55,718	1,35,312
- Sale of power	711	320
Other operating income		
- Income from trademark and staffing charges to subsidiary	41	-
- Sale of scrap	152	77
- Incentives from government	-	1,714
- Sale of coal	111	-
- Insurance claims	45	49
- Others	8	16
Total revenue from operations	**1,56,786**	**1,37,488**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

21. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Interest Income on financial assets at amortised cost	2,531	404
Rent received from employees	19	21
Profit on sale of property, plant and equipments	-	50
Liabilities no longer required written back	81	46
Net gain on foreign currency transactions and translation	60	333
Total other income	**2,691**	**854**

22. Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening stock	1,707	1,117
Add: Purchases	25,073	20,300
Less: Closing stock	1,224	1,707
Total cost of materials consumed	**25,556**	**19,710**
Details of materials consumed:		
Limestone	7,542	5,296
Laterite	3,472	2,624
Iron-ore sludge	392	390
Gypsum	2,022	1,472
Fly ash	2,643	1,966
Clinker purchased	55	351
Slag	3,188	2,155
Others	6,374	5,456
Less: Captive consumption	(132)	-
Total	**25,556**	**19,710**

23A. Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Cement and Others	2,017	2,028
Total Purchase of stock-in-trade	**2,017**	**2,028**

23B. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Inventories at the beginning of the year:		
Finished goods	729	1,413
Work-in-progress	703	2,255
	1,432	**3,668**
Inventories at the end of the year:		
Finished goods	949	729
Work-in-progress	3,930	703
	4,879	**1,432**
Net (increase)/ decrease	**(3,447)**	**2,236**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

24. Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Salaries and wages, including bonus	6,712	6,546
Contribution to provident and other funds (Refer Note 33)	726	576
Staff welfare expenses	663	502
Total employee benefit expenses	**8,101**	**7,624**

25. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Interest expense	5,269	3,691
Less: Borrowing costs on qualifying assets capitalised	(63)	-
Interest on deposits from dealers	243	232
Interest on lease liability (Refer Note 35)	27	9
Other borrowing cost	1,458	675
Total finance cost	**6,934**	**4,607**

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Depreciation of property, plant and equipment (Refer Note 2)	7,707	7,742
Depreciation on right of use assets (Refer Note 4 and 35)	155	145
Amortisation of intangible assets (Refer Note 3)	173	170
Total depreciation and amortisation	**8,035**	**8,057**

27. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Packing materials consumed	6,564	5,017
Stores and spares consumed	4,048	2,846
Repairs and maintenance		
- Plant & equipment	2,302	1,888
- Buildings	158	126
- Others	1,090	1,019
Selling expenses	2,354	2,537
Expected credit loss allowance	202	85
Provision for incentives receivable from government	775	84
Rent	164	133
Insurance	260	218
Rates and taxes	154	132
Expenditure on corporate social responsibility (Refer Note 37)	255	130
Payment to Auditors (Refer Note (i) below)	81	68
Travelling and conveyance	356	217
Security services	289	263
Donations and contributions	137	187
Legal and other professional charges	675	600
Administrative expenses	230	241
Printing and stationery	59	37
Communication	66	68

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Net loss on fair value change in financial instruments	6	166
Directors sitting fees	46	25
Miscellaneous expenses	36	51
Loss on sale of plant and equipments	38	-
Captive consumption	-	(28)
Total other expenses	**20,345**	**16,110**
Note:		
(i) Payment to auditors (net of taxes) comprises:		
For audit	41	39
For limited reviews	12	12
For other services	28	17
Total	**81**	**68**

28. Income tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
(a) Income tax recognised in the statement of profit and loss		
Current tax:		
In respect of the current year	3,056	4,229
	3,056	**4,229**
Deferred tax		
In respect of current year origination and reversal of temporary differences	2,956	9,479
MAT Credit	(59)	(4,229)
	2,897	**5,250**
Total tax expense	**5,953**	**9,479**

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Profit before tax (A)	16,331	28,405
Statutory tax rate in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	**5,706**	**9,925**
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(39)	(62)
Effect on expenses disallowed under Income Tax Act, 1961	244	188
Effect on change in depreciation while filing Income tax return	-	6
Effect on change in Income tax rate	-	(531)
Others	42	(47)
Total	**247**	**(446)**
At the effective income tax rate	5,953	9,479
Total Tax expense	**5,953**	**9,479**

All amounts are in ₹ Lakhs unless otherwise stated

(b) Movement in deferred tax assets and liabilities for the year 2021-22:

Particulars	Opening balance	Effect of Business Combination (Refer Note 40)	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	19,056	-	726	-	-	19,782
Provision for employee benefits	(364)	-	7	68	-	(289)
Expected credit loss allowance	(311)	-	(71)	-	-	(382)
MAT credit entitlement	(8,943)	-	(59)	-	-	(9,002)
Others	(98)	-	(242)	-	-	(340)
Unabsorbed depreciation	(2,536)	-	2,536	-	-	-
Total Deferred tax liability (Net)	**6,804**	**-**	**2,897**	**68**	**-**	**9,769**

Movement in deferred tax assets and liabilities for the year 2020-21:

Particulars	Opening balance	Effect of Business Combination (Refer Note 40)	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	10,840	5,947	2,273	-	(4)	19,056
Provision for employee benefits	(403)	(45)	80	4	-	(364)
Expected credit loss allowance	(243)	(31)	(37)	-	-	(311)
MAT credit entitlement	(4,714)	-	(4,229)	-	-	(8,943)
Others	(119)	-	21	-	-	(98)
Unabsorbed depreciation	(970)	(8,708)	7,142	-	-	(2,536)
Total Deferred tax liability (Net)	**4,391**	**(2,837)**	**5,250**	**4**	**(4)**	**6,804**

(c) Income tax assets and liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (Net of provision of ₹ 4,849 (2020-21: ₹ 4,415))	463	450
Income tax liabilities (Net of advance tax and TDS receivable for an amount of ₹ 2,723 (2020-21: ₹ 3,807)	(1,275)	(1,164)
Net Income tax liabilities	**(812)**	**(714)**

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, 2022	As at March 31, 2021 (Refer Note 40)
Direct tax matters	3,923	2,020
Indirect tax matters	1,323	1,315
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 01, 2010. As advised by the legal experts, the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,612 (As at March 31, 2021: ₹ 1,612) 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 ₹ 1,601 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, 2022, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Company.

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All amounts are in ₹ Lakhs unless otherwise stated

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, 2022	As at March 31, 2021
Jajpur Cements Private Limited	Term loan from Axis Bank Limited	Axis Bank Limited	20,000	20,000
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	31,000
Total			**57,000**	**51,000**

Pursuant to merger of Sagar Cements (R) Limited (SCRL) with the Company, the corporate guarantee given by the Company for SCRL borrowings stand rescinded.

c) Capital Commitments:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	4,383	5,008

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 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	60	17
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 recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xvii) 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 maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 15 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.

All amounts are in ₹ Lakhs unless otherwise stated

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Description	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Debt (Refer Note below)	89,080	39,955
Cash and cash equivalents and Other bank balances	15,669	22,714
Net debt	73,411	17,241
Total equity	1,29,411	1,19,494
Net debt to equity ratio	0.57	0.14

Note: Debt comprises of current and non-current borrowings as described in Notes 15.

B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	-	6
Measured at amortised cost		
(i) Investments	28,473	23,888
(ii) Loans	51,413	2,500
(iii) Trade receivables	12,411	10,074
(iv) Cash and cash equivalents	14,047	21,438
(v) Other bank balances	1,622	1,276
(vi) Other financial assets	3,852	1,797
Total Financial assets	**1,11,818**	**60,979**

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	89,080	39,955
(ii) Trade payables	19,213	22,790
(iii) Lease liabilities	320	66
(iv) Other financial liabilities	8,469	8,174
Total Financial liabilities	**1,17,082**	**70,985**

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 minimise 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.

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D. Market risk:

The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company seeks to minimise 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 analysis 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, 2022 would decrease/increase by ₹ 445 (for the year ended March 31, 2021: decrease/increase by ₹ 200). 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. There are no outstanding derivative instruments at the end of the current financial year.

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.

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 unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. 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 optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

All amounts are in ₹ Lakhs unless otherwise stated

Financing facilities:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Secured bills acceptance facility, reviewed annually		
- amount used	4,894	5,404
- amount unused	12,606	7,096
Total	**17,500**	**12,500**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	12,965	10,217
- amount unused	4,235	6,983
Total	**17,200**	**17,200**
Secured non-convertible debentures		
- amount used	32,702	10,385
- amount unused	-	-
Total	**32,702**	**10,385**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	43,413	19,353
- amount unused	1,665	-
Total	**45,078**	**19,353**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows:

Particulars	< 1 year	1 – 2 years	> 2 years
Trade Payables	19,213	-	-
Lease liabilities	154	136	30
Other financial liabilities	1,663	638	6,168
Borrowings (including current maturities of non-current borrowings)	30,164	22,842	36,074

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 (Refer Note 40) are as follows:

Particulars	< 1 year	1 – 2 years	> 2 years
Trade Payables	22,790	-	-
Lease liabilities	24	8	34
Other financial liabilities	783	965	6,426
Borrowings (including current maturities of non-current borrowings)	16,845	7,743	15,367

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Jajpur Cements Private Limited (For its expansion and general corporate purpose, carrying interest @ 12% p.a.)	46,483	-	46,483	-
Sagar Cements (M) Private Limited (For its requirement of setting up the Cement manufacturing unit, carrying interest @ 8% p.a.)	4,930	2,500	9,630	2,500

Notes to the Standalone Financial Statements

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 recognised during the year aggregated ₹ 337 (2020–21: ₹ 313).

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 recognised during the year aggregated ₹ 41 (2020–21: ₹ 34).

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 recognised during the year aggregated ₹ 4 (2020–21: ₹ 3).

(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 recognised in the Company's financial statements as per actuarial valuation as at March 31, 2022 and March 31, 2021:

a) **The principal assumptions used for the purposes of actuarial valuations were as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.33%	6.81%
Expected rate of return on plan asset	6.75% to 7.35%	7.26%/7.60%
Expected average remaining working lives of employees	16.69 years	17.40 years
Rate of escalation in salary	9.30%	10%
Attrition rate	10%	10%

b) **Components of defined benefit costs recognised in profit and loss and other comprehensive income:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	198	179
Interest expense	96	89
Other adjustments	5	6
Expected return on plan assets	(62)	(45)
Defined benefit cost included in profit and loss	**237**	**229**
Re-measurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial and experience adjustments	(207)	(13)
Return on plan assets (excluding interest income)	12	2
Components of defined benefit costs recognised in OCI	**(195)**	**(11)**

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, 2022	For the year ended March 31, 2021 (Refer Note 40)
Present value of funded defined benefit obligations	1,534	1,551
Fair value of plan assets	(957)	(900)
Net liability arising from defined benefit obligation	577	651

d) Movement in present value of defined benefits obligation are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Defined benefit obligation at the beginning of the year	1,551	1,310
Effect of business combination (Refer Note 40)	-	144
Current service cost	198	179
Interest cost	96	89
Remeasurements – Due to financial and experience adjustments	(207)	(13)
Benefits paid out of plan assets and by employer	(104)	(158)
Defined benefit obligation at the year end	**1,534**	**1,551**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Within 1 year	178	321
1 – 2 years	199	156
2 – 3 years	200	170
3 – 4 years	141	170
4 – 5 years	164	122
5 – 10 years	612	589

f) Movement in fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening fair value of the plan assets	900	461
Effect of business combination (Refer Note 40)	-	40
Expected return on plan assets	62	45
Contributions from the employer	106	481
Benefits paid out of plan assets	(98)	(122)
Re-measurement – Return on Assets (excluding interest income)	(12)	-
Other adjustments	(1)	(5)
Fair value of plan asset at the year end	**957**	**900**

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	Defined benefit Obligation			
	For the year ended March 31, 2022		For the year ended March 31, 2021 (Refer Note 40)	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,306	1,458	1,390	1,545
Effect of 1% change in assumed salary rate	1,456	1,303	1,543	1,387
Effect of 1% change in assumed attrition rate	1,370	1,386	1,451	1,476

The Company is expected to contribute ₹ 420 Lakhs to its defined benefit plans during the next financial year.

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Compensated absences:

The accrual for unutilised 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, 2022	For the year ended March 31, 2021 (Refer Note 40)
Discount Rate	7.33%	6.81%
Salary escalation rate	9.30%	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.

34. Related Party Disclosures:

The list of related parties of the Company is given below:

Name	Relationship
Jajpur Cements Private Limited	Wholly-owned subsidiary Company
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary Company
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	Chairman of the Board of Directors
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Valliyur Hariharan Ramakrishnan	Independent 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
S. Sahithi	Daughter 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, 2022	For the year ended March 31, 2021 (Refer Note 40)
Purchase of packing materials	Panchavati Polyfibres Limited	7,240	5,680
Purchase of scrap	Sagarsoft (India) Limited	-	1
Repayment of loans	Sagar Power Limited	900	-
Interest expense on loan	Sagar Power Limited	45	99
Sale of cement	Jajpur Cements Private Limited	262	375

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Rent expenses paid	Dr. S. Anand Reddy	41	39
	S. Sreekanth Reddy	41	39
	S. Vanajatha	41	39
	Total	**123**	**117**
Services received	Sagarsoft (India) Limited	51	56
Services rendered	Jajpur Cements Private Limited	17	-
	Sagar Cements (M) Private Limited	24	-
	Total	**41**	**-**
Sale of clinker	Jajpur Cements Private Limited	577	-
	Sagar Cements (M) Private Limited	184	-
	Total	**761**	**-**
Sale of Coal	Sagar Cements (M) Private Limited	111	-
Reimbursement of expenses received	Sagarsoft (India) Limited	7	8
	RV Consulting Services Private Limited	13	8
	Sagar Power Limited	2	3
	Panchavati Polyfibres Limited	4	6
	Sagar Cements (M) Private Limited	33	11
	Jajpur Cements Private Limited	10	3
	Total	**69**	**39**
Reimbursement of expenses paid	Panchavati Polyfibres Limited	-	58
Interest earned on corporate guarantee	Jajpur Cements Private Limited	41	45
	Sagar Cements (M) Private Limited	71	66
	Total	**112**	**111**
Loan given	Sagar Cements (M) Private Limited	8,130	2,500
	Jajpur Cements Private Limited	46,483	-
	Total	**54,613**	**2,500**
Payment received against loan given	Sagar Cements (M) Private Limited	5,700	-
Corporate guarantee given	Sagar Cements (M) Private Limited	6,000	3,500
Sale of property, plant and equipment	Sagar Cements (M) Private Limited	446	28
Interest earned on loan	Sagar Cements (M) Private Limited	526	25
	Jajpur Cements Private Limited	1,487	-
	Total	**2,013**	**25**
Payment to salary	S. Siddarth Reddy	4	2
	S. Sahithi	46	36
	Total	**50**	**38**
Received against warrant conversion	RV Consulting Services Private Limited	-	2,190
	AVH Resources India Private Limited	-	4,243
	Total	**-**	**6,433**
Dividend paid	S. Vanajatha	25	64
	RV Consulting Services Private Limited	40	103
	S. Siddarth	21	53
	Panchavati Polyfibres Limited	1	2
	AVH Resources India Private Limited	128	334
	Total	**215**	**556**

Compensation to key managerial personnel is as follows:

Nature of transaction	Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Short-term benefits	MD, JMD, CS and CFO	1,571	1,504
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	46	25
Dividend paid	MD, JMD, CS, CFO and Directors	93	242

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Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Loan given	Sagar Cements (M) Private Limited	4,930	2,500
	Jajpur Cements Private Limited	46,483	-
	Total	**51,413**	**2,500**
Advances given	Sagar Power Limited	1	-
	RV Consulting Services Private Limited	13	-
	Jajpur Cements Private Limited	7	-
	Sagar Cements (M) Private Limited	27	-
	Total	**48**	**-**
Interest accrued but not due	Sagar Cements (M) Private Limited	497	23
	Jajpur Cements Private Limited	1,338	-
	Total	**1,835**	**23**
Loans taken	Sagar Power Limited	-	900
Advances received	Jajpur Cements Private Limited	1,164	-
Trade payables	Panchavati Polyfibres Limited	711	796
Trade Receivable	Jajpur Cements Private Limited	19	13
	Sagar Cements (M) Private Limited	909	-
	Total	**928**	**13**
Corporate guarantee (Refer Note 29)	Jajpur Cements Private Limited	20,000	20,000
	Sagar Cements (M) Private Limited	37,000	31,000
	Total	**57,000**	**51,000**

35. 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 recognised as an expense on a straight-line basis over the lease term.

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, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening Balance	59	130
Effect of business combination (Refer Note 40)	-	25
Additions	388	49
Depreciation	(155)	(145)
Closing Balance	**292**	**59**

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening Balance	66	136
Effect of business combination (Refer Note 40)	-	27
Additions	388	49
Finance cost accrued during the year	27	9
Payment of lease liabilities	(161)	(155)
Closing Balance	**320**	**66**

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Non-current lease liabilities	166	42
Current lease liabilities	154	24
Total	**320**	**66**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on discounted basis

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Within one year	154	24
After one year but not more than five years	136	26
More than five years	30	16

36. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Profit after tax (₹ in Lakhs)	10,378	18,926
Weighted average number of equity shares outstanding (Refer Note 13(a))	11,75,00,000	11,56,54,110
Earnings per share:		
Basic and Diluted (in ₹)	8.83	16.36

Notes to the Standalone Financial Statements

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37. 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 needs to be spent by the Company for the year is 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, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Amount required to be spent by the Company during the year	243	106
Amount of expenditure incurred	255	130
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	10
Reason for shortfall	NA	Due to the year-end lockdown on account of COVID-19
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Revenue as per Contract price	1,93,449	1,58,160
Less: Discounts and incentives	(37,731)	(22,848)
Revenue as per statement of profit and loss	1,55,718	1,35,312

- 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.

39. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividend in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend (Refer Note 13(a)) recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Final dividend for FY 2020-21	2.50	-
Interim dividend for FY 2020-21	-	4.00
Final dividend for FY 2019-20	-	2.50

During the year ended March 31, 2022, on account of the final dividend for the financial year 2020-21, the Company has incurred a net cash outflow of ₹ 588.

All amounts are in ₹ Lakhs unless otherwise stated

The Board of Directors at their meeting held on May 11, 2022, recommended a dividend of ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Company. This payment is subject to approval of the shareholders in the upcoming Annual general meeting and if approved would result in the net cash outflow of approximately ₹ 915.

Effective from April 01, 2020: Dividends will be taxed in the hands of recipient, hence there will be no liability in the hands of Company.

40. On July 12, 2021, the Company had filed a Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Sagar Cements (R) Limited (SCRL) (Transferor Company), a wholly-owned subsidiary, with the Company (Transferee Company) with an appointed date of March 30, 2021. The scheme as approved by various regulatory authorities was sanctioned by Hyderabad bench of National Company Law Tribunal (NCLT) on March 15, 2022. The transaction being a common control business combination, merger accounting has been done under the Pooling of Interest Method in accordance with Ind AS 103 - Business combination. Accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and prior period amounts have been restated as if the business combination had occurred from the beginning of the preceding period.

Details of the summarised values of assets and liabilities of SCRL as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

Particulars	Transferor Company	Elimination (Refer Note 1 below)	Adjustments (Refer Note 2 below)	Total
Assets				
Non-current assets				
(a) Property, plant and equipment	42,954	-	(2,183)	40,771
(b) Capital work-in-progress	322	-	-	322
(c) Intangible assets	10	-	-	10
(d) Goodwill	-	3,873	-	3,873
(e) Mining rights	-	2,522	-	2,522
(f) Right of use assets	25	-	-	25
(g) Other Non-current financial assets	345	(101)	-	244
(h) Income tax assets (net)	155	-	-	155
(i) Deferred tax assets	2,074	-	763	2,837
(j) Other non-current assets	43	-	-	43
Total Non-current assets	**45,928**	**6,294**	**(1,420)**	**50,802**
Current assets				
(a) Inventories	3,513	-	-	3,513
(b) Trade receivables	4,190	-	-	4,190
(c) Cash and cash equivalents	7	-	-	7
(d) Bank balances other than cash and cash equivalents	69	-	-	69
(e) Other financial assets	70	-	-	70
(f) Other current assets	1,093	-	-	1,093
Total Non-current assets	**8,942**	**-**	**-**	**8,942**
Total Assets	**54,870**	**6,294**	**(1,420)**	**59,744**
Equity and Liabilities				
Equity				
Equity share capital	10,381	(10,381)	-	-
Other equity	(4,671)	(1,777)	(1,420)	(7,868)
Total equity	**5,710**	**(12,158)**	**(1,420)**	**(7,868)**
Liabilities				
Non-current liabilities				
(a) Borrowings	23,676	(10,019)	-	13,657
(b) Lease liabilities	25	-	-	25
(c) Other financial liabilities	1,625	-	-	1,625
(d) Provisions	123	-	-	123
(e) Other non-current liabilities	50	-	-	50
Total Non-current liabilities	**25,499**	**(10,019)**	**-**	**15,480**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Transferor Company	Elimination (Refer Note 1 below)	Adjustments (Refer Note 2 below)	Total
Current liabilities				
(a) Borrowings	3,298	-	-	3,298
(b) Trade payables	5,381	-	-	5,381
(c) Lease liabilities	2	-	-	2
(d) Other financial liabilities	9,150	(5,792)	-	3,358
(e) Provisions	47	-	-	47
(f) Other current liabilities	5,783	(4,814)	-	969
Total Current liabilities	**23,661**	**(10,606)**	**-**	**13,055**
Total	**54,870**	**(32,783)**	**(1,420)**	**20,667**

Details of impact on net profit and taxes is summarised below:

Particulars	For the year ended March 31, 2021
Net Profit for the year	
As per financial statements of FY 2020-21	16,196
Add: Net profit of SCRL	2,846
Less: Adjustment due to merger	**(116)**
Net Profit for the year post merger	18,926
Total Tax for the year	
As per financial statements of FY 2020-21	8,043
Add: Tax charge of SCRL	1,536
Less: Adjustment due to merger	(100)
Tax charge on profits for the year post merger	**9,479**

Details of impact on statement of cash flows is summarised below:

Particulars	For the year ended March 31, 2021
Net cash generated from operating activities	
As per financial statements of FY 2020-21	29,779
Add: Net cash generated from operating activities of SCRL	12,524
Less: Adjustment due to merger	(1)
Net cash generated from operating activities post-merger	**42,302**
Net cash used in investing activities	
As per financial statements of FY 2020-21	(12,141)
Add: Net cash used in investing activities of SCRL	(702)
Less: Adjustment due to merger	(3,230)
Net cash used in investing activities post merger	**(16,073)**
Net cash generated from financing activities	
As per financial statements of FY 2020-21	1,624
Add: Net cash used in financing activities of SCRL	(9,824)
Add: Adjustment due to merger	3,231
Net cash used in financing activities post merger	**(4,969)**
Net increase in cash and cash equivalent	
As per financial statements of FY 2020-21	19,262
Add: Net increase in cash and cash equivalent of SCRL	1,998
Less: Adjustment due to merger	-
Net increase in cash and cash equivalent post merger	**21,260**

Notes:

1. Represents elimination between Transferor Company and Transferee Company.
2. Effects of alignment of accounting policies between transferor Company and transferee Company.

All amounts are in ₹ Lakhs unless otherwise stated

41. The Board of Directors at their meeting held on January 28, 2022, approved a proposal to merge its wholly-owned subsidiary “Jajpur Cements Private Limited” with the Company subject to necessary regulatory approvals to be obtained in due course.

42. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the Company increased from ₹ 2,350/- to ₹ 2,614/-, divided into 13,07,07,548 equity shares of ₹ 2/- each.

43. Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,673	151	98	14	2,936

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,059	1,749	30	6	2,844

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

44. (a) Warrants and proceeds

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 Sagar Cements (M) Private Limited (SCMPL) (Formerly known as Satguru Cement Private Limited) 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 previous year, 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 utilised for the purposes for which funds were raised. With the said conversion, there are no more outstanding warrants requiring further conversion into equity shares.

(b) Investment in subsidiaries

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, 2021, the Company had infused an amount of ₹ 4,325 as additional equity into JCPL. Further, the Company has infused an amount of ₹ 2,575 as additional equity into JCPL during the year ended March 31, 2022.

During the year ended March 31, 2020, the Company had invested an amount of ₹ 15,000 in SCMPL 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 SCMPL. 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 subscribed for 3,76,630 shares issued by the SCMPL on preferential basis for an amount of ₹ 1,949 during the year ended March 31, 2022.

45. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long-term borrowings of ₹ 6,628 as at March 31, 2021 in the financial statements have been reclassified from ‘Other current financial liabilities’ to ‘Short term borrowings’.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

46. Relationship with struck off company:

Name of Struck off Company	Relationship with the Struck off Company	Nature of transactions	Transactions during the year ended March 31, 2022	Transactions during the year ended March 31, 2021	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021 *
Noble Infra Projects India Private Limited	Customer	Advance received from customer	-	-	-	0.39
James and James Building Materials Private Limited			-	-	-	2.93
Pioneer Distilleries Limited			-	-	-	0.48

* Residual balances outstanding relates to transactions undertaken prior to strike off. These balances were written back during the year.

47. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% of Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	1.67	1.52	10%	-
Debt-Equity Ratio	Debt (1)	Net Worth (2)	0.69	0.34	101%	2
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment (3)	2.05	3.44	(40%)	1
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.08	0.18	(52%)	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory (4)	10.50	11.30	(7%)	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable (5)	12.79	10.66	20%	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables (6)	5.51	3.97	39%	1
Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	(20.41)	190.76	(111%)	1
Net profit ratio	Profit after tax	Sales of Products and Services	6.63%	13.95%	(52%)	1
Return on Capital employed	Earnings before interest and taxes	Average Capital Employed (7)	0.13	0.22	(43%)	2
Return on Investments	Income generated from investments	Time weighted average investments	Nil	Nil	-	3

(1) Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities

(2) Net Worth = Equity share capital + Reserves and Surplus

(3) Excluding refinanced debt for all the loan funds during the period

(4) Average inventory = (Opening + Closing balance) / 2

(5) Average trade debtors = (Opening + Closing balance) / 2

(6) Average trade payables = (Opening + Closing balance) / 2

(7) Capital Employed = Total Assets - Current Liabilities

Notes:

1. During the Financial Year ended March 31, 2022, there had been a significant increase in the power and fuel expenses when compared to the previous financial year, this impacted the operating margins, resulting into variations in ratios as reported above.
2. During the Financial Year ended March 31, 2022, the Company had taken loan for inorganic and organic growth, this resulted into variations in ratios as reported above.

All amounts are in ₹ Lakhs unless otherwise stated

3. Company had made investments in subsidiaries, as the subsidiary companies has commenced its operations during the year, the return on investment is reflected as Nil.

48. In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

49. 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 Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

50. 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, goodwill, 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.

51. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

52. These financial statements were approved by the Company's Board of Directors on May 11, 2022.

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Consolidated 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, 2022, 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, 2022, 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 judgement, was 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 Equaliser Discounts (Refer Note 39 of the consolidated financial statements) ▪ Revenue is measured net of price equaliser discounts. ▪ Due to the Parent's presence across different marketing regions within the country and the competitive business environment, price equaliser 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 reports are collated periodically by the management and are prone to compilation errors. ▪ Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price equaliser discounts.	**Principal audit procedures performed:** ▪ Assessed the appropriateness of the Company's accounting policies relating to Price Equaliser discounts by comparing with Ind AS 115. ▪ 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 relating to price equaliser discounts. ▪ Obtained and inspected, on a sample basis, supporting documentation for price equaliser discounts recorded and credit notes 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 equaliser discounts to sales made to identify outliers and held inquiries with the management on the appropriateness of current year's discount.

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 Management Discussion & Analysis, Board's Report and Report on Corporate Governance including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- 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 and, in doing so, 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.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 judgement and maintain professional scepticism 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 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 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

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 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, returns and the reports.

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 as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 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 by the Parent and such subsidiary companies to their respective 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.

   iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 5 & 51 (iii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 5 & 51(iv) to consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note 40 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us for respective companies included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 22201193AIUBMG7866)

Place: Hyderabad
Date: May 11, 2022

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, 2022, 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, 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 subsidiaries, which are 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, 2022, 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: 22201193AIUBMG7866)

Place: Hyderabad
Date: May 11, 2022

Consolidated Balance Sheet

as on March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note	As at March 31, 2022	As at March 31, 2021 *
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,93,738	1,19,111
(b) Capital work-in-progress	45	10,050	51,748
(c) Goodwill		4,162	4,162
(d) Intangible assets			
(i) Mining rights	3	5,538	5,725
(ii) Other intangible assets	3	36	32
(e) Right of use assets	4	1,334	1,116
(f) Financial assets			
(i) Investments	5	31,468	-
(ii) Other financial assets	6	3,044	1,785
(g) Income tax assets (net)	27	480	450
(h) Deferred tax assets (net)	27	1,540	73
(i) Other non-current assets	7	13,529	11,133
Total Non-current assets		**2,64,919**	**1,95,335**
Current assets			
(a) Inventories	8	20,857	12,428
(b) Financial assets			
(i) Trade receivables	9	12,031	10,071
(ii) Cash and cash equivalents	10	14,306	22,514
(iii) Bank balances other than cash and cash equivalents	11	1,963	2,905
(iv) Other financial assets	6	567	335
(c) Other current assets	7	21,790	11,106
Total Current assets		**71,514**	**59,359**
TOTAL ASSETS		**3,36,433**	**2,54,694**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	2,350	2,350
(b) Other equity	13A	1,23,193	1,16,735
Equity attributable to Shareholders of the Company		**1,25,543**	**1,19,085**
Non-controlling interests	13B	5,401	5,351
Total Equity		**1,30,944**	**1,24,436**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14A	1,12,853	63,803
(ia) Lease liabilities	34	299	188
(ii) Other financial liabilities	15	6,852	6,999
(b) Provisions	16	751	624
(c) Deferred tax liabilities (net)	27	9,769	6,804
(d) Other non-current liabilities	18	229	229
Total Non-current liabilities		**1,30,753**	**78,647**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14B	37,482	16,845
(ia) Lease liabilities	34	190	47
(ii) Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises		214	17
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		21,885	22,882
(iii) Other financial liabilities	15	3,104	1,791
(b) Provisions	16	308	443
(c) Income tax liabilities (net)	27	1,275	1,164
(d) Other current liabilities	18	10,278	8,422
Total Current liabilities		**74,736**	**51,611**
Total Liabilities		**2,05,489**	**1,30,258**
Total Equity and Liabilities		**3,36,433**	**2,54,694**
Corporate information and significant accounting policies	1		
* Refer Note 41			
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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021 *
I	Revenue from operations	19	1,59,687	1,37,132
II	Other income	20	1,342	778
III	**Total Income (I + II)**		**1,61,029**	**1,37,910**
IV	**Expenses**			
	(a) Cost of materials consumed	21	25,512	19,710
	(b) Purchases of stock-in-trade	22A	1,906	2,028
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	(4,886)	2,236
	(d) Employee benefit expenses	23	8,555	7,636
	(e) Finance costs	24	9,248	4,656
	(f) Depreciation and amortisation expense	25	9,271	8,103
	(g) Power and fuel expenses		51,573	26,143
	(h) Freight and forwarding		27,855	23,422
	(i) Other expenses	26	21,595	15,913
	Total Expenses		**1,50,629**	**1,09,847**
V	**Profit before tax (III - IV)**		**10,400**	**28,063**
VI	**Tax expense**			
	(a) Current tax	27	3,056	4,229
	(b) Deferred tax	27	1,429	5,222
	Total Tax expense		**4,485**	**9,451**
VII	**Profit after tax (V - VI)**		**5,915**	**18,612**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	(a) Remeasurement of the defined benefit plan	31	200	11
	(ii) Income tax relating to items that will not be reclassified to profit and loss	27	(69)	(4)
	Other comprehensive income for the year, net of tax		**131**	**7**
IX	**Total comprehensive income for the year (VII + VIII)**		**6,046**	**18,619**
	Profit for the year attributable to:			
	Shareholders of the Company		6,915	18,654
	Non-controlling interest		(1,000)	(42)
			5,915	**18,612**
	Total comprehensive income for the year attributable to:			
	Shareholders of the Company		7,045	18,661
	Non-controlling interest		(999)	(42)
			6,046	**18,619**
X	**Earnings per share (Face value of ₹ 2 each (March 31, 2021: Face value of ₹ 2 each)) (Refer Note 12(a))**			
	Basic and Diluted	35	5.03	16.09
	Corporate information and significant accounting policies	1		
	* Refer Note 41			
	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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance at March 31, 2020	2,228
Changes in equity share capital during the year (Refer Note 46(a))	122
Balance at March 31, 2021	**2,350**
Changes in equity share capital during the year (Refer Note 12(a))	-
Balance at March 31, 2022	**2,350**

B. Other equity

Particulars	Attributable to owners of the Company							
	Reserves and surplus				Other items of other comprehensive income	Money received against share warrants	Non-controlling interests	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings				
Balance as at March 31, 2020	**35**	**45,507**	**3,598**	**43,283**	**(221)**	**2,236**	**5,393**	**99,831**
Profit/(loss) for the year	-	-	-	18,654	-	-	**(42)**	18,612
Dividend on equity shares	-	-	-	(1,528)	-	-	-	(1,528)
Other comprehensive income for the year (net of tax ₹ 4)	-	-	-	-	7	-	-	7
Effect of business combination (Refer Note 41)	-	-	-	(1,420)	-	-	-	(1,420)
Money received against share warrant (Refer Note 46(a))	-	-	-	-	-	6,706	-	6,706
Allotment of equity shares upon conversion of warrants (Refer Note 46(a))	-	-	-	-	-	(122)	-	(122)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 46(a))	-	8,820	-	-	-	(8,820)	-	-
Balance as at March 31, 2021	**35**	**54,327**	**3,598**	**58,989**	**(214)**	**-**	**5,351**	**1,22,086**
Profit/(loss) for the year	-	-	-	6,915	-	-	**(1,000)**	5,915
Dividend on equity shares	-	-	-	(588)	-	-	-	(588)
Other comprehensive income for the year (net of tax ₹ 69)	-	-	-	-	131	-	-	131
Allotment of equity shares	-	-	-	-	-	-	20	20
Premium on allotment of equity shares	-	-	-	-	-	-	1,030	1,030
Balance at March 31, 2022	**35**	**54,327**	**3,598**	**65,316**	**(83)**	**-**	**5,401**	**1,28,594**

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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021 *	
A Cash flow from operating activities				
Profit before tax for the year		**10,400**		**28,063**
Adjustments for				
Depreciation and amortisation expense	9,271		8,103	
Finance costs	9,248		4,656	
Interest income	(1,182)		(328)	
Liabilities no longer required written back	(81)		(46)	
Expected credit loss allowance on trade receivables	202		85	
Provision for incentives receivable from government	775		84	
Unrealised loss on foreign currency transactions and translation	-		54	
Net loss on fair value change in financial instruments	6		166	
Loss/(profit) on sale of property, plant and equipment (net)	38		(50)	
		18,277		12,724
Operating profit before working capital changes		**28,677**		**40,787**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(2,163)		3,522	
Inventories	(8,429)		(848)	
Financial assets	(420)		(195)	
Other assets	(8,267)		(6,441)	
		(19,279)		**(3,962)**
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(719)		591	
Other financial liabilities	946		(85)	
Provisions	192		(247)	
Other liabilities	1,856		4,222	
		2,275		4,481
Cash generated from operating activities		**11,673**		**41,306**
Less: Income tax paid		(2,975)		(3,654)
Net cash generated from operating activities		**8,698**		**37,652**
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(36,098)		(46,059)	
Deposits not considered as cash and cash equivalents				
- Placed	(1,820)		(2,392)	
- Matured	1,697		454	
Proceeds from disposal of plant and equipment	487		103	
Investment	(43,220)		-	
Interest received	562		300	
Net cash used in investing activities		**(78,392)**		**(47,594)**
C Cash flow from financing activities				
Proceeds from allotment of equity shares upon conversion of warrants	-		6,706	
Proceeds from allotment of equity shares	1,050		-	
Proceeds from non-current borrowings	69,382		43,041	
Proceeds from loan from others and related parties (net)	-		51	
Repayment of loan from related party	(958)		-	
Repayment of non-current borrowings	(7,452)		(7,348)	
Repayment of lease liability	(187)		(167)	
Proceeds from/(repayment of) current borrowings (net)	7,757		(3,846)	
Finance costs	(7,518)		(4,743)	
Dividend paid including tax	(588)		(1,528)	
Net cash generated/(used) from financing activities		**61,486**		**32,166**

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 *
Net increase in cash and cash equivalent (A+B+C)	**(8,208)**	**22,224**
Cash and cash equivalent at the beginning of the year	22,514	290
Cash and Cash equivalent at the end of the year (Refer Note 10)	**14,306**	**22,514**
Note:		
Cash and cash equivalents comprises of:		
Cash in hand	4	3
Balances with banks	1,802	860
Deposits with banks	12,500	21,651
Cash and cash equivalents (Refer Note 10)	**14,306**	**22,514**

* Refer Note 41

Reconciliations of liabilities from financing activities:

Particulars	As at April 01, 2021	Proceeds	Repayment	Fair value changes	As at March 31, 2022
Long-term borrowings (including current portion)	70,431	69,382	(7,452)	-	1,32,361
Loan from related party and others	1,242	-	(958)	-	284
Short-term borrowings	10,217	7,757	-	-	17,974
Total liabilities from financing activities	**81,890**	**77,139**	**(8,410)**	**-**	**1,50,619**

Particulars	As at April 01, 2020	Proceeds	Repayment	Fair value changes	As at March 31, 2021
Long-term borrowings (including current portion)	34,738	43,041	(7,348)	-	70,431
Loan from related party and others	1,168	51	-	23	1,242
Short-term borrowings	14,063	-	(3,846)	-	10,217
Total liabilities from financing activities	**49,969**	**43,092**	**(11,194)**	**23**	**81,890**

Reconciliation of lease liability:

Particulars	As at April 01, 2021	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2022
Lease liabilities	235	398	43	(187)	489

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

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 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

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 Company") 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 (NSE) of India Limited 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 Jajpur Cements Private Limited, Sagar Cements (M) Private Limited (Formerly known as 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 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 plant and machinery, railway siding, mining rights and land restoration is calculated on a straight-line basis and property, plant and equipment other than stated above 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 as estimated by the management. Amortisation of intangible assets is calculated on diminishing balance method considering the useful life estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, 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 recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Group uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

- **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.

- **Impairment of investments**

  Determining whether the investments, are impaired requires an estimate of the value in use of investments. In considering the 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 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.

- **Mining rights**

  The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

  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.

(v) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2022 and March 31, 2021.

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

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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.

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, 2022	March 31, 2021			As at March 31, 2022	As at March 31, 2021
Jajpur Cements Private Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	100%	100%
Sagar Cements (M) Private Limited (Formerly known as 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

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

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 Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of the acquire. Acquisition related costs are generally recognised in statement of profit and loss as incurred.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

Goodwill

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 cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

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.

A cash generating unit to which mining right 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 mining rights 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 mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

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

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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 recognises 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 recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power

In case of power generation, revenue from sale of energy is recognised 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 recognised when there is reasonable assurance that:

a) The Group will comply with the conditions attached to them; and

b) The grant will be received.

(xii) 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 recognised 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.

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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

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 componentisation 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.

(xv) Intangible assets and amortisation

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) before 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 recognised 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 recognised 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 recognised 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 amortised cost using the effective interest method, except for contingent consideration recognised 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 amortised 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.

(C) De-recognition of financial assets and liabilities

a) **Financial assets:**

The Group derecognises 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 recognise the financial asset and also recognises a collateralised 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 recognised in other comprehensive income and accumulated in equity

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is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b) Financial liabilities:

The Group derecognises 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 derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

(xxi) 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.

(xxii) Investments

Investments 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.

(xxiii) Impairment of assets

a) Financial assets:

The Group recognises 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 recognised is recognised 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 recognised 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 recognised 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 recognised 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(xxiv) 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.

(xxv) Provisions, contingent liabilities and contingent assets

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).

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

(xxvi) 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 judgement. 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 recognises 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 recognises 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 recognised 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 amortised 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.

(xxvii) Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation 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.

(xxviii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

a) **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets

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acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) **Ind AS 37 – Onerous Contracts – Costs of fulfilling a contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) **Ind AS 109 – Annual improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

e) **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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2. Property, plant and equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Land - freehold	9,787	9,787
Land - restoration	150	160
Buildings	43,260	19,762
Plant and machinery	1,18,362	77,907
Furniture and fittings	268	154
Office and other equipment	3,335	1,310
Electrical installations	12,924	4,320
Computers	121	74
Vehicles	460	317
Railway siding	5,071	5,320
Total	**1,93,738**	**1,19,111**

For the year 2021-22

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	**9,787**	**229**	**31,188**	**1,10,731**	**909**	**5,452**	**12,050**	**440**	**1,272**	**6,684**	**1,78,742**
Add: Additions	-	-	25,588	45,763	157	2,463	9,723	98	316	-	84,108
Less: Disposals	-	-	-	593	-	749	15	-	149	-	1,506
Balance as at March 31, 2022	**9,787**	**229**	**56,776**	**1,55,901**	**1,066**	**7,166**	**21,758**	**538**	**1,439**	**6,684**	**2,61,344**
II. Accumulated depreciation											
Opening Balance	**-**	**69**	**11,426**	**32,824**	**755**	**4,142**	**7,730**	**366**	**955**	**1,364**	**59,631**
Add: Depreciation expense	-	10	2,090	4,864	43	372	1,117	51	162	249	8,958
Less: Eliminated on disposal of assets	-	-	-	149	-	683	13	-	138	-	983
Balance as at March 31, 2022	**-**	**79**	**13,516**	**37,539**	**798**	**3,831**	**8,834**	**417**	**979**	**1,613**	**67,606**
Net block (I-II)											
Carrying value as at March 31, 2022	**9,787**	**150**	**43,260**	**1,18,362**	**268**	**3,335**	**12,924**	**121**	**460**	**5,071**	**1,93,738**
Carrying value as at March 31, 2021	9,787	160	19,762	77,907	154	1,310	4,320	74	317	5,320	1,19,111

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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	-	-	282	1,174	5	254	187	45	96	-	2,043
Less: Disposals	6	-	-	18	-	-	13	1	154	-	192
Balance as at March 31, 2021	**9,787**	**229**	**31,188**	**1,10,731**	**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	1,815	4,368	50	271	903	33	136	249	7,837
Less: Effect of business combination (Refer Note 41)	-	-	834	-	16	186	1,018	6	123	-	2,183
Less: Eliminated on disposal of assets	-	-	-	2	-	-	3	1	133	-	139
Balance as at March 31, 2021	**-**	**69**	**11,426**	**32,824**	**755**	**4,142**	**7,730**	**366**	**955**	**1,364**	**59,631**
Net block (I-II)											
Carrying value as at March 31, 2021	**9,787**	**160**	**19,762**	**77,907**	**154**	**1,310**	**4,320**	**74**	**317**	**5,320**	**1,19,111**
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

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 1,93,128 (March 31, 2021: ₹ 1,18,634) are subject to a *pari passu* first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles and land restoration) are subject to a *pari passu* second charge on the Company's current borrowings. Refer Note 14.

2. Vehicles with carrying amount of ₹ 460 (March 31, 2020: ₹ 317) are hypothecated to respective banks against vehicle loans. Refer Note 14.

3. The Group has not revalued its Property, plant and equipment.

All amounts are in ₹ Lakhs unless otherwise stated

3. Other intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Computer software	36	32
Mining rights	5,538	5,725
Total	**5,574**	**5,757**

For the year 2021-22

Particulars	Computer Software	Mining rights	Total
I. Gross Block			
Opening Balance	315	6,647	6,962
Add: Additions	9	-	9
Less: Disposals	-	-	-
Balance as at March 31, 2022	324	6,647	6,971
II. Accumulated amortisation			
Opening Balance	283	922	1,205
Add: Amortisation expense	5	187	192
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2022	288	1,109	1,397
Net block (I-II)			
Carrying value as at March 31, 2022	36	5,538	5,574
Carrying value as at March 31, 2021	32	5,725	5,757

For the year 2020-21

Particulars	Computer Software	Mining rights	Total
I. 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 amortisation			
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

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4. Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Buildings	316	88
Leasehold land	1,018	1,028
Total	**1,334**	**1,116**

For the year 2021-22

Particulars	Buildings	Leasehold land	Total
I. Gross Block			
Opening Balance	**370**	**1,062**	**1,432**
Add: Additions	393	5	398
Balance as at March 31, 2022	**763**	**1,067**	**1,830**
II. Accumulated depreciation			
Opening Balance	**282**	**34**	**316**
Add: Depreciation expense	165	15	180
Balance as at March 31, 2022	**447**	**49**	**496**
Net block (I-II)			
Carrying value as at March 31, 2022	**316**	**1,018**	**1,334**
Carrying value as at March 31, 2021	88	1,028	1,116

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

Note: Refer Note 34 on operating lease.

5. Investments in subsidiaries

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Investments in debentures				
Pridhvi Asset Reconstruction and Securitisation Company Limited	4,29,600	31,468	-	-
0.01% Non-convertible redeemable debentures (Refer Note (i), (ii) and (iii) below)				
	4,29,600	31,468	-	-

Notes:

(i) Parent Company advanced loan to Jajpur Cements Private Limited (JCPL), Wholly owned subsidiary of the Company during the year aggregating to ₹ 46,483. JCPL invested an amount of ₹ 42,960 in 0.01% Non-cumulative, Non-convertible debentures issued by Pridhvi Asset Reconstruction And Securitisation Company Limited ("ARC" or "PARAS"). The Debentures are secured against Security Receipts invested in by the ARC & lying-in favour of the Debenture Trustee viz., Catalyst Trusteeship Limited. These Debentures are redeemable over a period of 3 years. In the event of default, the security receipts invested in by the ARC would be transferred to the Jajpur Cements Private Limited.

(ii) At initial recognition, the debentures are measured at fair value. The difference between the fair value at initial recognition and the transaction price is accounted as prepaid asset under Other assets. Accordingly, ₹ 30,866 is accounted as fair value of the debentures and ₹ 12,444 is accounted as prepaid expense. As at March 31, 2022, ₹ 602 (March 31, 2021: ₹ Nil.) has been recognised as interest income and added to cost of debentures.

(iii) The Company has complied with number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

All amounts are in ₹ Lakhs unless otherwise stated

6. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits	1,857	1,663
Balances held as margin money deposit against borrowings	1,187	122
Total	**3,044**	**1,785**
Current		
Security deposits	351	176
Advances to employees	117	66
Interest accrued but not due	99	87
Derivative assets	-	6
Total	**567**	**335**
Total other financial assets	**3,611**	**2,120**

7. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	4,551	10,711
Advances to suppliers and service providers	71	65
Prepaid expenses (Refer Note 1 below)	8,759	209
Balances with government authorities	148	148
Total	**13,529**	**11,133**
Current		
Advances to suppliers and service providers (Refer Note 2 below)	4,289	1,012
Prepaid expenses (Refer Note 1 below)	5,221	470
Balances with government authorities	8,891	5,402
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	3,195	4,028
Considered doubtful	859	84
Less: Provision for doubtful	(859)	(84)
Total	**21,790**	**11,106**
Total other assets	**35,319**	**22,239**

Notes:

1. Net Prepaid Expense as of March 31, 2022 recognised on account of fair value of Debentures subscribed by M/s. Jajpur Cements Private Limited, wholly-owned subsidiary company during the year ₹ 11,753 (March 31, 2021: ₹ Nil.)
2. Includes ₹ 14 (March 31, 2021: Nil) advances given to related party. Also Refer Note 33.

8. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	1,999	1,707
Coal	7,795	4,597
Work-in-progress	4,847	703
Stores and spares	3,811	3,204
Packing materials	649	539
Finished goods (includes inventory of ₹ 5 Lakhs on account of purchase stock for March 31, 2022)	1,476	729
Total (A)	**20,577**	**11,479**
Goods-in-transit:		
Raw materials	172	6
Coal	70	886
Packing materials	35	55
Finished goods	3	2
Total (B)	**280**	**949**
Total inventories (A+B)	**20,857**	**12,428**

Note: Refer Note 1(b)(xvi) for basis of valuation of inventory and refer Note 14 for details of inventory pledged.

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9. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Trade receivables considered good – Secured	1,532	1,123
Trade receivables considered good – Unsecured	10,499	8,948
Trade receivables – credit impaired	1,104	902
Sub-total	**13,135**	**10,973**
Less: Expected credit loss allowance	(1,104)	(902)
Total trade receivables	**12,031**	**10,071**

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:

FY 2021-22:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	7,625	3,134	976	234	42	20	12,031
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	-	77	77	56	60	722	992
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	112	112
Total	**7,625**	**3,211**	**1,053**	**290**	**102**	**854**	**13,135**

FY 2020-21:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	7,166	2,289	189	253	151	23	10,071
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	-	34	31	150	53	528	796
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	106	106
Total	**7,166**	**2,323**	**220**	**403**	**204**	**657**	**10,973**

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Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	902	817
Add: Expected credit loss allowance	202	85
Balance at the end of the year	**1,104**	**902**

10. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	4	3
Balances with banks	1,802	860
Deposits with banks	12,500	21,651
Total Cash and cash equivalents	**14,306**	**22,514**

11. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend account	55	64
Margin money deposits (Refer Note below)	1,908	2,841
Total Other bank balances	**1,963**	**2,905**

Note: Margin money deposits with banks are against bank guarantees and cash credit facilities.

12. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2021: Equity Shares of ₹ 10 each) (Refer Note (a) below)	69,75,00,000	18,250	2,35,00,000	2,350
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2021: Equity Shares of ₹ 10 each) (Refer Note (a) below)	11,75,00,000	2,350	2,35,00,000	2,350

Notes:

(a) The Board of Directors, at their meeting held on July 01, 2021, recommended for the sub-division of equity shares of the Company from existing face value of ₹ 10/- each into face value of ₹ 2/- each (i.e. split of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each), and the same has been approved by the shareholders in the Annual General Meeting of the Company held on July 28, 2021. Accordingly, face value of the equity shares of the Company now stand at ₹ 2/- each w.e.f. the record date namely August 18, 2021.

Pursuant to merger of Sagar Cements (R) Limited with the Company, authorised equity share capital of ₹ 11,600 and authorised preference share capital of ₹ 4,300 of Transferor Company stand transferred as authorised share capital of the Company (Refer Note 41)

(b) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening balance	2,35,00,000	2,350	2,22,75,000	2,228
Allotment of equity shares upon conversion of warrants (Refer Note 46(a))	-	-	12,25,000	122
Stock Split (₹ 10 each into ₹ 2 each)	9,40,00,000	-	-	-
Closing balance	**11,75,00,000**	**2,350**	**2,35,00,000**	**2,350**

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All amounts are in ₹ Lakhs unless otherwise stated

(c) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹2 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.

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares of ₹ 2 each	% of holding	No. of shares of ₹ 10 each	% of holding
S. Aruna	68,47,725	5.83%	13,69,545	5.83%
Dr. S. Anand Reddy	65,32,620	5.56%	13,06,524	5.56%
S. Sreekanth Reddy	61,97,015	5.27%	12,39,353	5.27%
R V Consulting Services Private Limited	80,11,490	6.82%	16,02,298	6.82%
AVH Resources India Private Limited	2,56,68,790	21.85%	51,33,754	21.85%

(e) Details of shares held by the promoters in the Company and change during the year:

Name of the shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 10 each	% of total shares	% Change during the year
S. Aruna	68,47,725	5.83%	-	13,69,545	5.83%	-0.32%
Rachana Sammidi	58,36,415	4.97%	-	11,67,283	4.97%	-0.27%
Dr. S. Anand Reddy	65,32,620	5.56%	-	13,06,524	5.56%	-0.31%
S. Sreekanth Reddy	61,97,015	5.27%	-	12,39,353	5.27%	-0.29%
R V Consulting Services Private Limited	80,11,490	6.82%	-	16,02,298	6.82%	1.88%
Vanajatha Sammidi	49,53,845	4.22%	-	9,90,769	4.22%	-0.23%
Siddarth Sammidi	41,09,490	3.50%	-	8,21,898	3.50%	-0.19%
Aneesh Reddy Sammidi	41,09,485	3.50%	-	8,21,897	3.50%	-0.19%
Malathi Reddy Wdaru	37,77,000	3.21%	-	7,55,400	3.21%	-0.18%
Madhavi Nadikattu	26,69,000	2.27%	-	5,33,800	2.27%	-0.13%
P V Narsimha Reddy	10,000	0.01%	-	2,000	0.01%	0.00%
Andhra Pradesh Industrial Development Corporation	15,66,425	1.33%	-	3,13,285	1.33%	-0.08%
Panchavati Polyfibres Limited	1,57,500	0.13%	-	31,500	0.13%	-0.01%
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.66%	-	8,60,000	3.66%	-0.20%

(f) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(g) There are no securities which are convertible into equity shares. In the previous year 2020-21, the Company had converted 12,25,000 warrants into equal number of equity shares. (Refer Note 46)

13A. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	35	35
Securities premium	54,327	54,327
General reserve	3,598	3,598
Retained earnings	65,316	58,989
Other items for other incomprehensive income	(83)	(214)
Total other equity	**1,23,193**	**1,16,735**

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Movement in other equity is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	**35**	**35**
Securities premium		
(i) Opening Balance	54,327	45,507
(ii) Premium on allotment of equity shares upon conversion of warrants (Refer Note 46(a))	-	8,820
	54,327	**54,327**
General Reserve	**3,598**	**3,598**
Retained earnings		
(i) Opening balance	58,989	43,283
(ii) Profit for the year	6,915	18,654
(iii) Effect of business combination (Refer Note 41)	-	(1,420)
	65,904	**60,517**
Less: Appropriations		
(i) Dividend on equity shares (Refer Note 40)	588	1,528
	65,316	**58,989**
Other items of other comprehensive income		
(i) Opening Balance	(214)	(221)
(ii) Other comprehensive income	131	7
	(83)	**(214)**
Money received against share warrants		
(i) Opening balance	-	2,236
(ii) Money received against share warrant (Refer Note 46(a))	-	6,706
(iii) Allotment of equity shares upon conversion of warrants (Refer Note 46(a))	-	(122)
(iv) Premium on allotment of equity shares upon conversion of warrants (Refer Note 46(a))	-	(8,820)
	-	-
Total	**1,23,193**	**1,16,735**

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.

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All amounts are in ₹ Lakhs unless otherwise stated

13B. Non-controlling Interests ('NCI')

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	5,351	5,393
Total comprehensive loss for the year attributable to NCI	(1,000)	(42)
Allotment of equity shares	20	-
Premium on allotment of equity shares	1,030	-
Balance at end of the year	**5,401**	**5,351**

Details of subsidiaries with the non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Non-controlling interests	
		As at March 31, 2022	As at March 31, 2021
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited)	India	35%	35%

14A. Non-current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-convertible debentures (Refer Note (ii) below)	25,394	8,077
Term loans (Refer Note (i) below)	87,459	55,726
Total non-current borrowings	**1,12,853**	**63,803**

* Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".

Notes (i):

As at March 31, 2022

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	1,094	4 quarterly instalments	6.50%
Axis Bank Limited (Refer Note 2 below)	491	12 monthly instalments	7.90%
HDFC Bank Limited (Refer Note 2 below)	2,194	50 monthly instalments	6.00%
Axis Finance Limited (Refer Note 2 below)	14,775	18 quarterly instalments	10.00%
Piramal Capital & Housing Finance Limited (Refer Note 2 below)	9,950	48 monthly instalments	11.00%
Axis Bank Limited (Refer Note 3 below)	1,150	8 quarterly instalments	7.90%
Axis Bank Limited (Refer Note 4 below)	2,533	16 quarterly instalments	7.90%
State Bank of India (Refer Note 5 below)	2,399	16 quarterly instalments	8.50%
State Bank of India (Refer Note 6 below)	55	1 monthly instalments	6.95%
Axis Bank Limited (Refer Note 7 below)	1,630	46 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)	2,625	14 quarterly instalments	8.20%
State Bank of India (Refer Note 10 below)	11	1 monthly instalments	6.95%
The Federal Bank Limited (Refer Note 11 below)	1,011	48 monthly instalments	6.75%
Axis Bank Limited (Refer Note 12 below)	19,700	36 quarterly instalments	8.75%
Yes Bank Limited (Refer Note 13 below)	15,723	37 quarterly instalments	8.30%
State Bank of India (Refer Note 14 below)	20,745	37 quarterly instalments	9.25%
Vehicle loans from various banks/financial institutions (Refer Note 16 below)	573	2 - 36 monthly instalments	7.16% to 9.13%
Less: Current maturities of non-current borrowings	(12,200)		
	87,459		

All amounts are in ₹ Lakhs unless otherwise stated

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 15 below)	181	5 - 21 monthly instalments	8.50% to 9.31%
Less: Current maturities of non-current borrowings	(4,320)		
	55,726		

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. 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 – Joint Managing Director.
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 – Joint Managing Director.
11. This term loan is secured by first *pari passu* charge on asset to be created through proceeds of the loan and second *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 National credit guarantee trustee Ltd.
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, 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 and pledged 96,54,000 equity shares 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.
13. 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 pledged 15,10,972 equity shares and Non Disposable Undertaking (NDU) for the balance shareholding of Sagar Cements (M) Private Limited held by Sagar Cements Limited in

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favour of Axis Trustee Services 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.

14. 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 pledged 15,10,972 equity shares of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services 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.
15. This term loan is secured by first *pari passu* charge on asset to be created through proceeds of the loan and second *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 National credit guarantee trustee Ltd.
16. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.
17. The Company has used the borrowings for the purposes for which it was taken.

Note (ii):

1. 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 instalment during the current year, six 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.
2. Non-Convertible Debentures (NCD) have been issued to Investec Bank PLC-VRR 1 and Emerging India Credit Opportunities Fund I. A total of 25,000 NCD's have been issued (₹ 1 Lakh each) aggregating ₹ 25,000. Interest payable on the NCD's is @11.50%. The NCD's were issued on November 20, 2021. Interest is payable at half yearly rest with effect from June 01, 2022. Repayment for the NCD's are to be made in 5 equal half yearly instalments of ₹ 5,000 starting from December 01, 2022 onwards. The NCD's are 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. The Company has used the borrowings for the purposes for which it was taken.

14B. Current borrowings (Secured, amortised at cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
Cash credit facilities (Refer Notes below)	17,974	10,217
Current maturities of non-current borrowings	19,508	6,628
Total secured borrowings	**37,482**	**16,845**

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. (2020-21: 7.90% p.a. to 8.85% 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 @ 7.60% p.a. to 7.70% p.a. (2020-21: 7.70% p.a. to 8.40% 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 @ 7.20% p.a. to 7.90% p.a. (2020-21: 7.90% p.a. to 8.40% 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 – Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. (2020-21: 7.90% p.a to 9.80% 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 – Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. (2020-21: 7.90% p.a. to 8.95% p.a.).

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6. 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 movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy – Director and S. Sreekanth Reddy – Managing Director. The loans are repayable on demand and carries interest @ 7.60% p.a. (2020-21: Nil).
7. The Company has availed cash credit facilities from Yes 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 movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy – Director and S. Sreekanth Reddy – Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 7.85% p.a. to 7.95% p.a. (2020-21: Nil).
8. 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 movable property, plant and equipment and including EM of 30 acres of project lease land (mining land excluded), and are guaranteed by Dr. S. Anand Reddy – Director and S. Sreekanth Reddy – Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 7.80% p.a. (2020-21: Nil).
9. The Company has used the borrowings for the purposes for which it was taken.
10. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

15. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits received	6,568	5,757
Loan from others	193	55
Loans from related party	91	1,187
Total	**6,852**	**6,999**
Current		
Interest accrued but not due on borrowings	1,634	637
Unclaimed dividends (Refer Note below)	55	64
Payables on purchase of property, plant and equipment	1,415	1,090
Total	**3,104**	**1,791**
Total other financial liabilities	**9,956**	**8,790**

Note:

As at March 31, 2022 (March 31, 2021 ₹ 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.

16. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (Refer Note 31)	582	656
Compensated absences (Refer Note 31)	477	411
Total provisions	**1,059**	**1,067**
Non-current		
Gratuity	403	333
Compensated absences	348	291
Total	**751**	**624**
Current		
Gratuity	179	323
Compensated absences	129	120
Total	**308**	**443**

17. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME)	214	17
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,885	22,882
Total	**22,099**	**22,899**

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Trade payables ageing schedule for the year ended March 31, 2022 and March 31, 2021:

FY 2021-22:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	-	214	-	-	-	-	214
(ii) Others	3,547	15,048	2,942	21	50	277	21,885
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,547**	**15,262**	**2,942**	**21**	**50**	**277**	**22,099**

FY 2020-21:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	-	17	-	-	-	-	17
(ii) Others	2,621	16,872	2,893	50	4	442	22,882
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**2,621**	**16,889**	**2,893**	**50**	**4**	**442**	**22,899**

18. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Liability for land restoration	229	229
Total	**229**	**229**
Current		
Advance from customers	6,709	5,149
Statutory remittances	3,569	3,273
Total	**10,278**	**8,422**
Total other liabilities	**10,507**	**8,651**

19. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from		
- Sale of cement (Refer Note 39)	1,58,623	1,34,937
- Sale of power	711	320
Other operating income		
- Sale of scrap	298	95
- Incentives from government	-	1,714
- Insurance claims	45	49
- Others	10	17
Total revenue from operations	**1,59,687**	**1,37,132**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

20. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on financial assets at amortised cost	1,182	328
Rent received from employees	19	21
Profit on sale of property, plant & equipment	-	50
Liabilities no longer required written back	81	46
Net gain on foreign currency transactions and translation	60	333
Total other income	**1,342**	**778**

21. Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock	1,707	1,117
Add: Purchases	25,804	20,300
Less: Closing stock	1,999	1,707
Total cost of materials consumed	**25,512**	**19,710**
Details of materials consumed		
Limestone	7,994	5,296
Laterite	3,527	2,624
Iron-ore sludge	392	390
Gypsum	2,129	1,472
Flyash	2,709	1,966
Clinker Purchased	257	351
Slag	3,274	2,155
Others	6,374	5,456
Less: Captive consumption	(1,144)	-
Total	**25,512**	**19,710**

22A. Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cement	1,906	2,028
Total Purchase of stock-in-trade	**1,906**	**2,028**

22B. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year:		
Finished goods	729	1,413
Work-in-progress	703	2,255
	1,432	**3,668**
Inventories at the end of the year:		
Finished goods	1,471	729
Work-in-progress	4,847	703
	6,318	**1,432**
Net (increase)/decrease	**(4,886)**	**2,236**

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23. Employee benefits expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages, including bonus	7,612	6,874
Contribution to provident and other funds (Refer Note 31)	787	604
Staff welfare expenses	746	540
Less: Employee benefits capitalised	(590)	(382)
Total employee benefit expenses	**8,555**	**7,636**

24. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense	10,216	5,443
Less: Borrowing costs on qualifying assets capitalised	(3,516)	(1,745)
Interest on deposits from dealers	252	232
Interest on lease liability (Refer Note 34)	43	23
Other borrowing cost	2,253	703
Total finance cost	**9,248**	**4,656**

25. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (Refer Note 2)	8,958	7,838
Depreciation on right of use assets (Refer Note 4 and 34)	180	161
Amortisation of intangible assets (Refer Note 3)	192	169
Less: Depreciation expenses capitalised	(59)	(65)
Total depreciation and amortisation	**9,271**	**8,103**

26. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Packing materials consumed	6,705	5,017
Stores and spares consumed	4,177	2,846
Repairs and maintenance		
Plant & equipment	2,406	1,888
Buildings	167	126
Others	1,195	1,019
Selling expenses	2,650	2,537
Expected credit loss allowances	202	85
Provision for incentives receivable from government	775	84
Rent	173	133
Insurance	276	218
Rates and taxes	212	170
Expenditure on corporate social responsibility	255	130
Payment to Auditors	105	91
Travelling and conveyance	421	219
Security services	315	263
Donations and contributions	145	212
Legal and other professional	802	606
Administrative expenses	265	253
Printing and stationery	64	37
Communication	70	68
Net loss on fair value change in financial instruments	6	166
Directors sitting fees	46	25
Miscellaneous expenses	125	105
Loss on sale of asset	38	-
Captive consumption	-	(385)
Total other expenses	**21,595**	**15,913**

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27. Income tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Income tax recognised in the statement of profit and loss		
Current Tax:		
In respect of the current year	3,056	4,229
	3,056	4,229
Deferred Tax		
In respect of current year origination and reversal of temporary differences	1,488	9,451
MAT Credit	(59)	(4,229)
	1,429	**5,222**
Total tax expense	**4,485**	**9,451**

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax (A)	10,400	28,063
Statutory tax rate in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	**3,634**	**9,805**
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(212)	(23)
Effect on expenses disallowed under Income Tax Act, 1961	539	209
Effect on change in depreciation while filing Income tax return	-	6
Effect on change in Income tax rate	-	(531)
Effect of Tax paid at a lower rate	524	25
Others	-	(40)
Total	**851**	**(354)**
At the effective income tax rate	4,485	9,451
Total Tax expense	**4,485**	**9,451**

Movement in deferred tax assets and liabilities for the year 2021-22:

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect of business combination (Refer Note 41)	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	19,052	2,838	-	-	-	21,890
Provision for employee benefits	(364)	7	69	-	-	(288)
Expected credit loss allowance	(314)	(71)	-	-	-	(385)
MAT credit entitlement	(8,943)	(59)	-	-	-	(9,002)
Carry forward unabsorbed depreciation and business losses	(2,576)	(1,044)	-	-	-	(3,620)
Others	(124)	(242)	-	-	-	(366)
Total Deferred tax liability (Net)	**6,731**	**1,429**	**69**	**-**	**-**	**8,229**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Movement in deferred tax assets and liabilities for the year 2020-21:

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect of business combination (Refer Note 41)	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	17,550	2,269	-	(763)	(4)	19,052
Provision for employee benefits	(449)	81	4	-	-	(364)
Expected credit loss allowance	(277)	(37)	-	-	-	(314)
MAT credit entitlement	(4,714)	(4,229)	-	-	-	(8,943)
Carry forward unabsorbed depreciation and business losses	(9,702)	7,126	-	-	-	(2,576)
Others	(136)	12	-	-	-	(124)
Total Deferred tax liability (Net)	**2,272**	**5,222**	**4**	**(763)**	**(4)**	**6,731**

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2022	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(2,108)	19,782	21,890
Provision for employee benefits	(1)	(289)	(288)
Expected credit loss allowance	3	(382)	(385)
MAT credit entitlement	-	(9,002)	(9,002)
Carry forward business losses and depreciation	3,620	(340)	(3,960)
Others	26	-	(26)
Total	**1,540**	**9,769**	**8,229**

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	4	19,056	19,052
Provision for employee benefits	-	(364)	(364)
Expected credit loss allowance	3	(311)	(314)
MAT credit entitlement	-	(8,943)	(8,943)
Carry forward business losses and depreciation	40	(98)	(138)
Others	26	(2,536)	(2,562)
Total	**73**	**6,804**	**6,731**

Current tax assets and liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (Net of provision of ₹ 4,849 (2020-21: ₹ 4,415))	480	450
Income tax liabilities (Net of advance tax and TDS receivable for an amount of ₹ 2,723 (2020-21: ₹ 3,807)	1,275	1,164
Net Income tax liabilities	**(795)**	**(714)**

28. 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, 2022	As at March 31, 2021
Direct taxes related	3,923	2,020
Indirect taxes related	1,323	1,315
Others	428	428

All amounts are in ₹ Lakhs unless otherwise stated

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 01, 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, 2021: ₹ 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, 2022, 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, 2022	As at March 31, 2021
Jajpur Cements Private Limited	Term loan from Axis Bank Limited	Axis Bank Limited	20,000	20,000
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	31,000
Total			**57,000**	**51,000**

Pursuant to merger of Sagar Cements (R) Limited (SCRL) with the Company, the corporate guarantee given by the Company for SCRL borrowings stand rescinded.

c) Capital Commitments:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	7,386	24,641

29. 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, 2022	As at March 31, 2021
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	214	17
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.	-	-

30. Financial Instruments:

The significant accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xx) to the financial statements.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

A. Capital Management

The group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the group consists of net debt (borrowings as detailed in Notes 14 & 15 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:

Description	As at March 31, 2022	As at March 31, 2021 (Refer Note 41)
Debt (Refer Note below)	1,50,619	81,890
Cash and cash equivalents and Other bank balances	16,269	25,419
Net debt	1,34,350	56,471
Total equity	1,30,944	1,24,436
Net debt to equity ratio	1.03	0.45

Note: Debt comprises of current and non-current borrowings as described in Notes 14 and 15.

B. Categories of financial instruments:

The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 41)
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	-	6
Measured at amortised cost		
(i) Investments	31,468	
(ii) Trade receivables	12,031	10,071
(iii) Cash and cash equivalents	14,306	22,514
(iv) Other bank balances	1,963	2,905
(v) Other financial assets	3,611	2,115
Total Financial assets	**63,379**	**37,611**

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 41)
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	1,50,335	80,648
(ii) Trade payables	22,099	22,899
(iii) Lease liabilities	489	235
(iv) Other financial liabilities	9,956	8,790
Total Financial liabilities	**1,82,879**	**1,12,572**

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 minimise 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 minimise 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, 2022 would decrease/increase by ₹ 753 (for the year ended March 31, 2021: decrease/increase by ₹ 409). 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. There are no outstanding derivative instruments at the end of the current financial year.

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, 2022 and March 31, 2021. 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.

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Financing facilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Secured bills acceptance facility, reviewed annually		
- amount used	5,124	5,404
- amount unused	18,176	7,096
Total	**23,300**	**12,500**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	17,974	10,217
- amount unused	9,226	6,983
Total	**27,200**	**17,200**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	99,659	46,756
- amount unused	1,665	6,898
Total	**1,01,324**	**53,654**
Secured non-convertible debentures		
- amount used	32,702	10,385
- amount unused	-	-
Total	**32,702**	**10,385**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	22,099	-	-
Lease liabilities	190	161	138
Other financial liabilities	3,104	670	6,182
Borrowings (including current maturities of non-current borrowings)	37,482	27,106	85,747

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

31. 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 recognised during the year aggregated ₹ 393 (2020-21: ₹ 341). In the financial year 2021-22, as the project is under implementation, provident fund expenditure of ₹ 33 (2020–21: ₹ 27) relating to Jajpur Cements Private Limited and Sagar Cements (M) 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 recognised during the year aggregated ₹ 41 (2020–21: ₹ 34).

All amounts are in ₹ Lakhs unless otherwise stated

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 recognised during the year aggregated ₹ 4.67 (2020–21: ₹ 3). In the financial year 2021-22, as the project is under implementation, employee state insurance expenditure of ₹ 0.44 (2020–21: ₹ 0.01) relating to Sagar Cements (M) Private Limited transferred to CWIP.

(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 recognised in the financial statements as per actuarial valuation as at March 31, 2022 and March 31, 2021:

a) **The principal assumptions used for the purposes of actuarial valuations were as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.33%	6.46% - 6.92%
Expected rate of return on plan asset	6.75% - 7.35%	7.26% - 7.60%
Expected average remaining working lives of employees	16.69 – 22.62 years	10.49 – 20.22 years
Rate of escalation in salary	8% - 10%	10%
Attrition rate	10%	10%

b) **Components of Defined benefit costs recognised in profit and loss and other comprehensive income:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	215	187
Interest expense	96	89
Other adjustments	5	6
Expected return on plan assets	(62)	(45)
Defined benefit cost included in profit and loss	**254**	**237**
Remeasurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial and experience adjustments	(212)	(13)
Return on plan assets (excluding interest income)	12	2
Components of defined benefit costs recognised in OCI	**(200)**	**(11)**

c) **Key Result – Reconciliation of fair value of assets and obligations:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of funded defined benefit obligations	1,552	1,560
Fair value of plan assets	(970)	(904)
Net liability arising from defined benefit obligation	582	656

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d) **Movement in present value of defined benefits obligation are as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation at the beginning of the year	1,560	1,455
Current service cost	215	187
Interest cost	96	89
Re-measurements – Actuarial gain	(212)	(13)
Benefits paid out of plan assets and by employer	(107)	(158)
Defined benefit obligation at the year end	**1,552**	**1,560**

e) **Maturity profile of defined benefit obligation:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within 1 year	180	321
1 – 2 years	199	156
2 – 3 years	201	170
3 – 4 years	142	170
4 – 5 years	167	123
5 – 10 years	623	599

f) **Movement in fair value of plan assets are as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of the plan assets	904	501
Expected return on plan assets	63	45
Contributions from the employer	115	485
Benefits paid out of plan assets	(98)	(122)
Other adjustments	(1)	(5)
Re-measurement – Return on Assets (excluding interest income)	(13)	-
Fair value of plan asset at the year end	**970**	**904**

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	Defined benefit Obligation			
	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,323	1,478	1,398	1,554
Effect of 1% change in assumed salary rate	1,476	1,320	1,552	1,395
Effect of 1% change in assumed attrition rate	1,388	1,405	1,460	1,485

The group is expected to contribute ₹ 421 Lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilised 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:

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate	7.33%	6.46% - 6.92%
Salary escalation rate	8% - 9.30%	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.

32. 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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	1,58,976	1,36,812	13,143	8,861	1,72,119	1,45,673
Less: Inter-segment revenue	-	-	12,432	8,541	12,432	8,541
Total	1,58,976	1,36,812	711	320	1,59,687	1,37,132
Segment result	18,427	32,480	39	(89)	18,466	32,391
Unallocable:						
- Finance Costs					9,248	4,656
- Interest income					(1,182)	(328)
Profit before taxes					10,400	28,063
Tax expense					(4,485)	(9,451)
Profit for the year					6,357	18,612

Particulars	Manufacturing of cement		Power generation		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Segment assets	2,38,622	1,91,186	30,424	32,458	2,69,046	2,23,644
Un-allocable assets					67,387	31,050
Total assets					3,36,433	2,54,694
Segment liabilities	41,964	39,489	222	265	42,186	39,754
Un-allocable liabilities					1,63,303	90,504
Total liabilities					2,05,489	1,30,258

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, 2022 and March 31, 2021.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

33. 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
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Valliyur Hariharan Ramakrishnan	Independent 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
S. Sahithi	Daughter 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, 2022	For the year ended March 31, 2021
Purchase of packing materials	Panchavati Polyfibres Limited	7,240	5,680
Purchase of property, plant and equipment	RV Consulting Services Private Limited	9,717	6,340
Rent expenses paid	Dr. S. Anand Reddy	41	39
	S. Sreekanth Reddy	41	39
	S. Vanajatha	41	39
	Total	**123**	**117**
Interest expense on loan	Sagar Power Limited	45	99
Loan taken repaid	Sagar Power Limited	900	-
Services received	Sagarsoft (India) Limited	51	56
Reimbursement of expenses received	Sagarsoft (India) Limited	7	8
	RV Consulting Services Private Limited	13	8
	Panchavati Polyfibres Limited	4	6
	Sagar Power Limited	2	3
	Total	**26**	**25**
Payment of salary	S. Siddarth	4	2
	S. Sahithi	46	36
	Total	**50**	**38**
Received against warrant conversion	RV Consulting Services Private Limited	-	2,190
	AVH Resources India Private Limited	-	4,243
	Total	**-**	**6,433**
Dividend paid	S. Vanajatha	25	64
	RV Consulting Services Private Limited	40	103
	S. Siddarth	21	53
	Panchavati Polyfibres Limited	1	2
	AVH Resources India Private Limited	128	334
	Total	**215**	**556**

All amounts are in ₹ Lakhs unless otherwise stated

Compensation to key managerial personnel:

Nature of transaction	Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term benefits	MD, JMD, CS and CFO	1,571	1,504
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	46	25
Dividend paid	MD, JMD, CS, CFO and Directors	93	242

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2022	As at March 31, 2021
Advances & deposits given	Sagar Power Limited	1	-
	RV Consulting Services Private Limited	13	-
	Total	**14**	**-**
Loans taken	Sagar Power Limited	-	900
Trade payables	Panchavati Polyfibres Limited	711	796
Payable on purchase of property, plant and equipment	RV Consulting Services Private Limited	1	-
Capital advances	RV Consulting Services Private Limited	1,718	4,298

34. 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 recogni ed as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	1,116	1,176
Additions	398	101
Depreciation	(180)	(161)
Closing Balance	**1,334**	**1,116**

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation 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.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	235	278
Additions	398	101
Finance cost accrued during the year	43	23
Payment of lease liabilities	(187)	(167)
Closing Balance	**489**	**235**

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Non-current lease liabilities	299	188
Current lease liabilities	190	47
Total	**489**	**235**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on discounted basis

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within one year	190	47
After one year but not more than five years	191	87
More than 5 years	**108**	**101**

35. Earnings per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 41)
Profit after tax (₹ in Lakhs)	5,915	18,612
Weighted average number of equity shares outstanding (Refer Note 12(a))	11,75,00,000	11,56,54,110
Earnings per share:		
Basic and Diluted (in ₹)	5.03	16.09

36. 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 Group and the amount needs to be spent by the Group for the year is 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, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the group during the year	243	106
Amount of expenditure incurred	255	130
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	10
Reason for shortfall	NA	Due to the year-end lockdown on account of covid-19
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

All amounts are in ₹ Lakhs unless otherwise stated

37. 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, 2022	As at March 31,2021
Jajpur Cements Private Limited	Subsidiary	India	Sagar Cements Limited	100%	100%
Sagar Cements (M) Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%

38. 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, 2022:

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%	1,29,411	175%	10,378	97%	127	174%	10,505
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) (Subsidiary)	12%	15,905	(48%)	(2,858)	2%	3	(47%)	(2,855)
Jajpur Cements Private Limited (Subsidiary)	7%	9,256	(26%)	(1,545)	1%	1	(26%)	(1,544)
Adjustments arising out of consolidation	(14%)	(18,227)	16%	940	(1%)	(1)	16%	939
Non-controlling interests	(4%)	(5,401)	(17%)	(1000)	1%	1	(17%)	(999)
Total	**100%**	**1,30,944**	**100%**	**5,915**	**100%**	**131**	**100%**	**6,046**

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)	96%	1,19,494	102%	18,926	100%	7	102%	18,933
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) (Subsidiary)	12%	15,699	(1%)	(119)	-	-	(1%)	(119)
Jajpur Cements Private Limited (Subsidiary)	7%	8,225	(1%)	(131)	-	-	(1%)	(131)
Adjustments arising out of consolidation	(11%)	(13,631)	(0%)	(22)	-	-	(0%)	(22)
Non-controlling interests	(4%)	(5,351)	(0%)	(42)	-	-	(0%)	(42)
Total	**100%**	**1,24,436**	**100%**	**18,612**	**100%**	**7**	**100%**	**18,619**

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.

39. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per Contract price	1,96,517	1,57,785
Less: Discounts and incentives	(37,894)	(22,848)
Revenue as per statement of profit and loss	**1,58,623**	**1,34,937**

- 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 Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Group 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.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

40. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

The Parent Company declares and pays dividend in Indian rupees. Companies are required to pay/ distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend (Refer Note (12(a)) recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Final dividend for FY 2020-21	2.50	-
Interim dividend for FY 2020-21	-	4.00
Final dividend for FY 2019-20	-	2.50

During the year ended March 31, 2022, on account of the final dividend for the financial year 2020-21, the Parent Company has incurred a net cash outflow of ₹ 588.

The Board of Directors at their meeting held on May 11, 2022, recommended a dividend of ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Parent Company. This payment is subject to approval of the shareholders in the upcoming Annual general meeting and if approved would result in the net cash outflow of approximately ₹ 915.

Effective from April 01, 2020: Dividends will be taxed in the hands of recipient, hence there will be no liability in the hands of Company.

41. On July 12, 2021, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Sagar Cements (R) Limited (SCRL) (Transferor Company), a wholly owned subsidiary, with the Company (Transferee Company) with an appointed date of March 30, 2021. The scheme as approved by various regulatory authorities was sanctioned by Hyderabad bench of National Company Law Tribunal (NCLT) on March 15, 2022. The transaction being a common control business combination, merger accounting has been done under the Pooling of Interest Method in accordance with Ind AS 103 - Business combination. Accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and prior period amounts have been restated as if the business combination had occurred from the beginning of the preceding period.

Details of the summarised values of assets and liabilities of SCRL as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

Particulars	Transferor Company	Elimination (Refer Note 1 below)	Adjustments (Refer Note 2 below)	Total
Assets				
Non-current assets				
(a) Property, plant and equipment	42,954	-	(2,183)	40,771
(b) Capital work-in-progress	322	-	-	322
(c) Intangible assets	10	-	-	10
(d) Goodwill	-	3,873	-	3,873
(e) Mining rights	-	2,522	-	2,522
(f) Right of use assets	25	-	-	25
(g) Other Non-current financial assets	345	(101)	-	244
(h) Income tax assets (net)	155	-	-	155
(i) Deferred tax assets	2,074	-	763	2,837
(j) Other non-current assets	43	-	-	43
Total Non-current assets	**45,928**	**6,294**	**(1,420)**	**50,802**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Transferor Company	Elimination (Refer Note 1 below)	Adjustments (Refer Note 2 below)	Total
Current assets				
(a) Inventories	3,513	-	-	3,513
(b) Trade receivables	4,190	-	-	4,190
(c) Cash and cash equivalents	7	-	-	7
(d) Bank balances other than cash and cash equivalents	69	-	-	69
(e) Other financial assets	70	-	-	70
(f) Other current assets	1,093	-	-	1,093
Total Non-current assets	**8,942**	**-**	**-**	**8,942**
Total Assets	**54,870**	**6,294**	**(1,420)**	**59,744**
Equity and Liabilities				
Equity				
Equity share capital	10,381	(10,381)	-	-
Other equity	(4,671)	(1,777)	(1,420)	(7,868)
Total equity	**5,710**	**(12,158)**	**(1,420)**	**(7,868)**
Liabilities				
Non-current liabilities				
(a) Borrowings	23,676	(10,019)	-	13,657
(b) Lease liabilities	25	-	-	25
(c) Other financial liabilities	1,625	-	-	1,625
(d) Provisions	123	-	-	123
(e) Other non-current liabilities	50	-	-	50
Total Non-current liabilities	**25,499**	**(10,019)**	**-**	**15,480**
Current liabilities				
(a) Borrowings	3,298	-	-	3,298
(b) Trade payables	5,381	-	-	5,381
(c) Lease liabilities	2	-	-	2
(d) Other financial liabilities	9,150	(5,792)	-	3,358
(e) Provisions	47	-	-	47
(f) Other current liabilities	5,783	(4,814)	-	969
Total Current liabilities	**23,661**	**(10,606)**	**-**	**13,055**
Total	**54,870**	**(32,783)**	**(1,420)**	**20,667**

Details of impact on net profit and taxes is summarised below:

Particulars	For the year ended March 31, 2021
Net Profit for the year	
As per financial statements of FY 2020-21	18,560
Add: Adjustment due to merger	52
Net Profit for the year post merger	**18,612**
Total Tax for the year	
As per financial statements of FY 2020-21	9,551
Less: Adjustment due to merger	(100)
Tax charge on profits for the year post merger	**9,451**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Details of impact on statement of cash flows is summarised below:

Particulars	For the year ended March 31, 2021
Net cash generated from operating activities	
As per financial statements of FY 2020-21	37,717
Less: Adjustment due to merger	(65)
Net cash generated from operating activities post merger	**37,652**
Net cash used in investing activities	
As per financial statements of FY 2020-21	(47,659)
Add: Adjustment due to merger	65
Net cash used in investing activities post merger	**(47,594)**
Net cash generated from financing activities	
As per financial statements of FY 2020-21	32,166
Less: Adjustment due to merger	-
Net cash generated from financing activities post merger	**32,166**
Net increase in cash and cash equivalent	
As per financial statements of FY 2020-21	22,224
Less: Adjustment due to merger	-
Net increase in cash and cash equivalent post merger	**22,224**

Notes:

1. Represents elimination between Transferor Company and Transferee Company.
2. Effects of alignment of accounting policies between transferor Company and transferee Company.

42. The Board of Directors at their meeting held on January 28, 2022, approved a proposal to merge its wholly owned subsidiary “Jajpur Cements Private Limited” with the Company subject to necessary regulatory approvals to be obtained in due course.

43. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the Parent Company increased from ₹ 2,350/- to ₹ 2,614/-, divided into 13,07,07,548 equity shares of ₹ 2/- each.

44. Pursuant to the certificate of incorporation dated October 29, 2021, the Company’s subsidiary Satguru Cement Private Limited was renamed to Sagar Cements (M) Private Limited.

45. Capital Work-in-Progress:

(a) Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	6,785	2,613	629	23	10,050

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	41,489	9,172	1,081	6	51,748

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

All amounts are in ₹ Lakhs unless otherwise stated

(b) Capitalisation of expenditure:

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress (CWIP) in the course of its construction.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenditure during construction for projects		
Raw materials consumed	984	-
Power and fuel consumed	1,070	149
Employee benefits expense	590	382
Rates and taxes	72	71
Depreciation	59	65
Finance costs	3,516	1,745
Miscellaneous expenses	1,321	404
Total Pre-operative expenses	**7,612**	**2,816**
Less: Sale of products/Other income	(2,164)	(2)
Add: Balance at the beginning of the year	**3,868**	**1,054**
Less: Capitalised during the year	(8,688)	-
Closing balance included in CWIP	**628**	**3,868**

Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

46. (a) Warrants and Proceeds

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 Sagar Cements (M) Private Limited (SCMPL) (Formerly known as Satguru Cement Private Limited) 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 previous year, 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 utilised for the purposes for which funds were raised. With the said conversion, there are no more outstanding warrants requiring further conversion into equity shares.

(b) Investment in subsidiaries

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, 2021, the Company had infused an amount of ₹ 4,325 as additional equity into JCPL. Further, the Company has infused an amount of ₹ 2,575 as additional equity into JCPL during the year ended March 31, 2022.

During the year ended March 31, 2020, the Company had 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 subscribed for 3,76,630 shares issued by the SCMPL on preferential basis for an amount of ₹ 1,950 during the year ended March 31, 2022.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

47. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long-term borrowings of ₹ 6,628 as at March 31, 2021 in the financial statements have been reclassified from 'Other current financial liabilities' to 'Short term borrowings'.

48. Relationship with struck off companies:

Name of Struck off Company	Relationship with the Struck off Company	Nature of transactions	Transactions during the year ended March 31, 2022	Transactions during the year ended March 31, 2021	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021 *
Noble Infra Projects India Private Limited	Customer	Advance received from customer	-	-	-	0.39
James and James Building Materials Private Limited	Customer	Advance received from customer	-	-	-	2.93
Pioneer Distilleries Limited	Customer	Advance received from customer	-	-	-	0.48

* Residual balances outstanding relates to transactions undertaken prior to strike off. These balances were written back during the year.

49. 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 record any related impact in the period the Code becomes effective.

50 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.

51. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) The Subsidiary Companies has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

All amounts are in ₹ Lakhs unless otherwise stated

(iv) The Parent Company and Subsidiary Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

52. These consolidated financial statements were approved by the Company's Board of Directors on May 11, 2022.

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Notice

Notice is hereby given that the 41st Annual General Meeting of the Members of Sagar Cements Limited will be held on Thursday, the 30th June, 2022 at 3.00 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, 2022 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, 2022 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, 2022 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted."

2. To declare dividend @ ₹ 0.70 per share (35%) on the equity shares of the company for the financial year 2021-22 and in this regard to pass the following resolution as an Ordinary Resolution.

   "**Resolved that** a dividend of ₹ 0.70 per share (35%) on the 13,07,07,548 equity shares of ₹ 2/- each of the company be and is hereby declared for the Financial Year ended 31st March 2022."

3. To re-appoint the retiring director, Dr.S.Anand Reddy (DIN: 00123870), 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** Dr. S. Anand Reddy (DIN: 00123870) 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, Shri John-Eric Bertrand (DIN: 06391176), who retires by rotation as director and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "**Resolved that** Shri John-Eric Bertrand (DIN: 06391176) 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 ₹ 8,50,000/- 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 2023, be and is hereby ratified."

6. **Appointment of Shri Madhavan Ganesan (DIN: 01674529) as a nominee director of PI Opportunities Fund-I Scheme II**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**Resolved that** pursuant to the recommendations of the Nomination and Remuneration Committee of the Board of Directors of the Company and the Board of Directors ("the Board") vide their resolutions both dated 11th May, 2022, the Shareholders Agreement dated 25th March, 2022 (the "**SHA**") entered into amongst the Company, its promoters (as defined in the SHA), and PI Opportunities Fund-I Scheme II (the "**Investor**"), Sections 149, 152, 161, 164 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and Article 84 and 97 of the Articles of Association of the Company, Shri Madhavan Ganesan (DIN: 01674529) who was appointed as an Additional Director on 11th May, 2022, be and is hereby appointed as a non-executive nominee director of the Investor on the Board in accordance with the terms of the SHA, not liable to retire by rotation. "

   "**Resolved Further that** any Director of the Company and Shri R. Soundararajan, Company Secretary be and are hereby authorized, jointly and severally to sign and file requisite e-Forms along with the necessary attachments with the Registrar of the Companies in connection with the appointment of Shri Madhavan Ganesan (DIN: 01674529) and take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental for giving effect to the above resolution."

By Order of the Board of Directors

R. Soundararajan
Company Secretary
M. No. F4182

Hyderabad
11th May 2022

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

Notes

1. This Annual General Meeting is convened through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") pursuant to General Circular number 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 20/20 dated 05.05.2020, 28/2020 dated 17.08.2020, 02/2021 dated 13.01.2021, 19/2021 dated 08.12.2021, 21/2021 dated 14.12.2021 and 02/2022 dated 05.05.2022 issued by the Ministry of Corporate Affairs (MCA) which allows the companies to hold 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 Circulars, the 41st 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 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 Limited ("KFIN"), Registrar and Transfer Agent of the Company, as the authorized agency 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 and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM.

5. 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 cs@bssandassociates.com with a copy marked to evoting@kfintech.com and company's email id at info@sagarcements.in.

6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No's. 5 and 6 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 11th May 2022 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 41st AGM of the Company.

7. 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.

8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies 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 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, facility of joining the e-AGM through VC/OAVM shall be available for 1000 members 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 (the Act).

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 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 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 23rd June, 2022 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 24th June 2022 to 30th June 2022 (both days inclusive).

17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Integrated Report for the financial year ended 31st March 2022 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 Integrated 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 National Stock Exchange of India Limited at www.nseindia.com. The same is also available on the website of KFin Technologies Limited at https://evoting.kfintech.com.

18. **Procedure for registering the email addresses and obtaining the Integrated 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 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 Integrated Report, AGM Notice and the e-voting instructions.

    ii. Those members who have not registered their email and in consequence the Integrated 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 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 Integrated 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 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 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 (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 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. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.

    vii. **Submission of Questions / queries prior to e-AGM:**

       a) Members desiring any additional information with regard to Accounts/ Integrated Report 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 at least 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.

viii. **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 (vii) above.

ix. 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 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 26th June 2022 (9.00 A.M. IST) and ends on 29th June 2022 (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 29th June 2022 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 23rd June 2022. 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 Integrated Report to the shareholders whose name is recorded as on 27th May 2022 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 27th May 2022 being the date reckoned for sending through email, the AGM Notice & Integrated Report and who holds shares as on the cut-off date i.e. 23rd June 2022 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 1800-3094-001. Member may also 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 Limited upon expiry of aforesaid period.

vi. Details of persons to be contacted for issues relating to e-voting:

   Mr. K. Raj Kumar, Assistant Vice President, KFin Technologies 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.: 1800-3094-001.

vii. Details of Scrutinizer: Shri S. Srikanth, Partner, representing M/s. 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. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the e-AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the e-AGM shall be treated as invalid.

ix. The procedure and instructions for the remote e-voting 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 be 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 has 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. 23rd June 2022 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: cs@bssandassociates.com with a copy to evoting@kfintech.com and info@sagarcements.in. They shall 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 Vice President of KFin Technologies 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 two working days 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 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 integrate 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. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2022. Post March 31, 2022 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhar number. The folios in which PAN is / are not valid as on the notified cut-off date of March 31, 2022 or any other date as may be specified by the CBDT, shall also be frozen.

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 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 29th June, 2022. 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 29th June, 2022.

24. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

    The Members / claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

25. Members who have not yet encashed the dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company or Company's Registrar and Share Transfer Agents.

Year	Nature of Dividend	Rate of Dividend on share of par value of ₹ 10/- each
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)
2020-21	Final	25% (₹ 2.50 per share)

26. The details of dividend lying unclaimed in respect of these years are available in the website of the Company at www.sagarcements.in and website of the Ministry of Corporate Affairs at https://www.iepf.gov.in. Members are requested to contact KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company at the address mentioned in Note No. 8 to claim the unclaimed /unpaid dividends.

    It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company up to the Interim Dividend issued for the financial year 2014-2015, have already been transferred to IEPF.

27. 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 to the eligible members as per the mandate registered with the Company or with their respective Depository Participants.

28. 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 as the case may be to such Member.

29. The Company has fixed 23rd June, 2022 as the 'Record Date' for determining entitlement of members to the dividend of ₹ 0.70 paisa per share for the financial year ended 31st March, 2022, if approved at the ensuing AGM.

30. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within 30 days from the date of AGM, subject to deduction of tax at source, 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 23rd June, 2022.

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 23rd June, 2022.

31. Updation of Members' details: Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/23 dated February 24, 2022 and SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated July 23, 2021, Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFintech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

    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 Limited.

    Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS), they should update their NECS / ECS details with the Company's Registrar and Share Transfer Agents i.e., KFin Technologies Limited (for the shares held in physical form) and their respective Depository Participants (for the shares held in electronic form).

    Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer

Agents indicating their Folio number therein at the address mentioned in Note No. 8.

Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 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 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at www.sagarcements.in & also from the website of its Registrar and Share Transfer Agents i.e., KFin Technologies Limited at https://ris.kfintech.com/clientservices/isc/default.aspx.

Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

32. The members / investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: einward.ris@kfintech.com or to the Company's official E-mail id: info@sagarcements.in.

33. The information/documents referred to in the Notice and the Explanatory statement 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 23rd June, 2022 through email to info@sagarcements.in for seeking information, If any, and the same will be replied by the Company suitably.

34. 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-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

35. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission and Transposition etc). 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. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, KFin Technologies Limited (KFIN) for assistance in this regard.

36. 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 the requisite changes.

37. Members may note that the Integrated Report for the year 2021-22 is also available on the Company's website www.sagarcements.in for their download.

38. 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 Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 41st AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.

39. 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.

40. 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.

41. During the 41st 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 e-AGM.

42. The transcript of this meeting, shall be made available on the website of the company.

43. 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 Limited immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai.

44. 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

R. Soundararajan
Company Secretary
M. No. F4182

Hyderabad
11th May 2022

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

Annexure to the Notice of the 41st 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. 5 and 6 of the accompanying Notice dated 11th May, 2022.

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 2022-23 and payment of remuneration to the said Cost Auditors as mentioned in the resolution for the year 2022-23.

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

Your Company has allotted 1,32,07,548 (One Crore Thirty-Two Lakhs Seven Thousand Five Hundred and Forty-Eight) equity shares of face value of ₹ 2/- (Rupees Two) each, at a premium of ₹ 263/- (Rupees Two Hundred and Sixty Three) per equity share ("**Equity Shares**") to PI Opportunities Fund-I Scheme II (the "**Investor**") in accordance with the approval accorded by the shareholders at their Extraordinary General Meeting held on 23rd April 2022.

Pursuant to the terms of the Shareholders Agreement (the "**SHA**") dated 25th March 2022 entered into amongst the Investor, the company and its promoters (as defined in the SHA), the Investor having a right to appoint a person as its nominee director on the Board of the Company and has nominated Shri Madhavan Ganesan (DIN No.01674529) for the purpose. Accordingly the Board of Directors of the Company at its meeting held on 11th May 2022, taking on record the above nomination and upon the recommendation of its Nomination and Remuneration Committee, in accordance with the provisions of Sections 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 (the "**Act**") (including statutory modification(s) or re-enactments thereof for the time being in force) read with Article 84 and 97 of the Articles of Association of the Company, approved the appointment of Shri Madhavan Ganesan as an Additional Director w.e.f. 11th May 2022 to act as the nominee director of Investor.

As per Section 161 of the Companies Act, 2013, a person appointed as an Additional Director can hold such office only up to the date of the next Annual General Meeting of the Company.

Further, as per SEBI (LODR) Regulations, 2015, effective from 1st January 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

In accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, shareholders' consent is being sought for continuation of Shri Madhavan Ganesan as a Director on the Board beyond the ensuing Annual General Meeting.

Shri Madhavan Ganesan, who has given his consent to act as a Director, does not suffer from any dis-qualifications contained in Section 164 of the Companies Act, 2013. The Company has received a proposal from M/s. PI Opportunities Fund-I Scheme II, for appointment of Shri Madhavan Ganesan as its nominee director on the Board.

Details of Shri Madhavan Ganesan as required under Listing Regulations and the Secretarial Standard-2 are given in the Annexure 2 to the notice.

Except Shri Madhavan Ganesan, whose appointment is the subject matter of the resolution and may therefore be considered to be interested to that extent, none of the other Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

Your directors recommend the resolution as set out in the notice for approval by the members.

By Order of the Board of Directors

R. Soundararajan
Company Secretary
M. No. F4182

Hyderabad
11th May 2022

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 appointment/re-appointment at the Annual General Meeting

Name of the Director	Dr. S. Anand Reddy	Shri John-Eric Bertrand	Shri Madhavan Ganesan
DIN	00123870	06391176	01674529
Date of birth	10.06.1964	16.11.1977	07.09.1964
Age	58 years	44 years	57 years
Qualification	M.B.B.S.	University of Louvain (UCL) Master in International Management Community of European Management Schools (CEMS) Master in Business Administration IMBA), INSEAD	B.E. (Hons)- BITS Pilani MBA – IIM, Calcutta
Experience in specific functional areas	Corporate Executive	Investment Manager	Strategy Consultant. Business Leader with significant experience in establishing and incubating new ventures; driving strategic growth and profitability of large business units; group strategic growth planning; managing international partner relationships and financing of ventures
Date of first appointment on the Board	23.11.1991	26.06.2003	11.05.2022
Nature of Appointment	Retires by rotation and being eligible offers himself for re-appointment	Retires by rotation and being eligible offers himself for re-appointment	Not liable to retire by rotation
Terms and Conditions of Appointment/ Reappointment	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as a Nominee Director
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. Sagar Cements (M) Pvt. Ltd. 6. Jajpur Cements Pvt.Ltd.	Nil	1. Optival Health Solutions Pvt. Ltd. 2. S.B. Packagings Pvt. Ltd. 3. Indipals Services Pvt. Ltd.
Directorships in other Listed Companies and names of Listed Companies from which he has resigned in the past three years	Nil	Nil	Medplus Health Services Ltd.
Membership/Chairmanship of Committees of other Boards	Chairman of the Audit Committee in Sagar Power Ltd.	Nil	**Optival Health Solutions Pvt.Ltd.** **Chairman of:** Corporate Social Responsibility Committee Nomination & Remuneration Committee Risk Management Committee **Member of:** Audit Committee
Membership of Audit / Shareholders / Investors Grievances Committees of Public Limited Companies	Member of Stakeholders' Relationship Committee of Sagar Cements Limited	Nil	**Medplus Health Services Ltd.** **Chairman and member of:** Risk Management Committee Stakeholder Relationship Committee **Member of:** Audit Committee Nomination & Remuneration Committee Corporate Social Responsibility Committee **Sagar Cements Ltd.** **Member of:** Audit Committee Nomination & Remuneration Committee

Name of the Director	Dr. S. Anand Reddy	Shri John-Eric Bertrand	Shri Madhavan Ganesan
No. of shares held including shareholding as a beneficial owner in Sagar Cements Ltd.	65,32,620	Nil	Nil
Number of Board Meetings attended	8	3	-
Details of Remuneration last drawn	Dr. S. Anand Reddy was paid a remuneration of ₹ 7,44,03,226/- as Managing Director for the year 2021-22	No remuneration is proposed over and above the sitting fee	No remuneration is proposed over and above the sitting fee
Remuneration sought to be paid	No further remuneration is sought to be paid other than what is payable to him in his current tenure as Managing Director, which was approved by the shareholders at the time of his appointment as Managing Director	No remuneration is proposed over and above the sitting fee	No remuneration is proposed over and above the sitting fee
Inter-se relationship with other Directors and KMP of the Company	Related to Shri S. Sreekanth Reddy, Joint Managing Director and Mrs. S. Rachana, Non-Executive Director	None	None

By Order of the Board of Directors

R. Soundararajan
Company Secretary
M. No. F4182

Hyderabad
11th May 2022

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

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 Madhavan Ganesan
PI opportunities Fund-I Scheme II,
Nominee Director (w.e.f. 11.05.2022)

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 M.V. Ramana Murthy
Sr. Vice President - Mattampally

Shri. E. P. Ranga Reddy
Asst. Vice President - Gudipadu

Shri. K. Srinivasa Rao
Sr. General Manager - Bayyavaram

Shri K. Srinivasa Rao
Vice President - Jeerabad

Shri P Vidyasagar
General Manager - Jajpur

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

Debenture Trustees

1. Vistra ITCL (India) Limited
   IL & FS Financial Centre, Plot No.22, G Block
   Bandra Kurla complex, Bandra (East),
   Mumbai - 400051, Maharashtra.

2. IDBI Trusteeship Services Limited
   Ground Floor, Asian Building, R. Kamani Marg,
   Ballard Estate, Mumbai - 400001, Maharashtra.

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
4. Karondiya (Village),
   Post-Jeerabad, Tehsil-Gandhwani,
   Dhar District, Madhya Pradesh - 454446.
5. Kalinga Nagar Industrial Complex,
   Tehsil-Dangadi, Jajpur District, Odisha - 75502

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,
   Andhra Pradesh-518 422

Sagar Cements Limited

Registered and Administrative Office
Plot No. 111, Road No. 10
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Phone : +91 40 23351571
Fax: +91 40 23356573

www.sagarcements.in