

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 2020, 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 ("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 2020, the Company had nine Directors.
- (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 2020 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies 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 2019-20		Whether attended last AGM held on 24.7.2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri. O. Swaminatha Reddy	Chairman and Independent Director	5	5	Yes	2	2	2	1
Dr. S. Anand Reddy	Managing Director (Promoter Group)	5	3	Yes	-	4	1	-
Shri. S. Sreekanth Reddy	Joint Managing Director (Promoter Group)	5	5	Yes	1	3	-	-
Smt. S. Rachana	Non-Executive (Promoter Group)	5	4	Yes	-	1	-	-
Shri. K. Thanu Pillai	Independent and Non-Executive, Director	5	5	Yes	-	6	-	1
Shri. V. H. Ramakrishnan	Independent and Non-Executive, Director	5	5	Yes	-	2	-	3
Shri. T. Nagesh Reddy	Nominee Director of APIDC, (Equity Investor)	5	5	Yes	-	-	-	-
Shri. John-Eric Bertrand	Non-Executive	5	4	No	-	-	-	-
Jens Van Nieuwenborgh	Alternate Director to Shri. John-Eric Bertrand	5	0	No	-	-	-	-

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

Sl. No.	Name of the Director	Category of Directorship	Names of the other Listed Entities where the person is a director and the category of such directorship	
			Company	Category
1	Shri. O. Swaminatha Reddy	Chairman and Independent Director	1. Bhagyanagar India Ltd.	Independent Director
			2. Surana Solar Ltd.	Independent Director
2	Dr. S. Anand Reddy,	Managing Director (Promoter Group)	-	-
3	Shri. S. Sreekanth Reddy,	Joint Managing Director (Promoter Group)	1. Sagarsoft (India) Ltd.	Chairman - Non-Executive
4	Smt. S. Rachana	Non-Executive Director (Promoter Group)	-	-
5	Shri. K. Thanu Pillai	Independent Director	1. Sathavahana Ispat Ltd.	Independent Director
6	Shri. V. H. Ramakrishnan,	Independent Director	1. The KCP Ltd.	Independent Director

Sl. No.	Name of the Director	Category of Directorship	Names of the other Listed Entities where the person is a director and the category of such directorship	
			Company	Category
7	Shri. John-Eric Bertrand	Non-Executive Director	-	-
8	Shri. T. Nagesh Reddy	Nominee Director of APIDC, (Equity Investor)	-	-
9	Shri. Jens Van Nieuwenborgh	Alternate Director to Shri. John-Eric Bertrand	-	-

(iv) As on 31st March 2020, none of the Directors on the Board held directorships in more than eight listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2020 have been made by the Directors.

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

(v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. On the expiry of their previous term as independent directors, were re-appointed for a period of 3 years. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

(vi) The Board held five meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are: 22nd May 2019, 24th July 2019, 19th September 2019, 21st October 2019 and 28th January 2020.

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

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

(ix) During the year, the Independent Directors separately held a meeting on 28th January 2020.

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

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

(xii) In the opinion of the Board, the independent directors fulfill the conditions specified in the

Listing Regulations and are independent of the management.

(xiii) 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.

(xiv) Details of equity shares of the Company held by the Directors as on 31st March 2020 are given below:

Name	Category	Number of equity shares
Dr. S. Anand Reddy	Managing Director - Promoter Group	13,06,524
Shri. S. Sreekanth Reddy	Joint Managing Director - Promoter Group	12,39,353
Smt. S. Rachana	Non-Executive, Promoter Group	11,67,183

As on 31st March 2020, none of the Non-Executive Directors other than the one mentioned above was holding any shares or convertible securities in the company.

3. Audit Committee

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in the accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions
 - Qualifications 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 SEBI 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 and effective implementation of the Insider Trading Code.
- (v) The previous Annual General Meeting ("AGM") of the Company was held on 24th July 2019 and the Chairman of the audit committee was present at the said meeting.
- (vi) The composition of the Audit Committee as on 31st March 2020 and the details of attendance at its meetings held during the year 2019-20 are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2019-20	
		Held	Attended
Shri. O. Swaminatha Reddy, Chairman	Independent Director	4	4
Shri. K. Thanu Pillai	Independent Director	4	4
Shri. V. H. Ramakrishnan	Independent Director	4	4

- (vii) The Audit committee met 4 times during the year 2019-20 and the dates of such meeting are: 22nd May 2019, 24th July 2019, 21st October 2019 and 28th January 2020.

4. Nomination and Remuneration Committee

- (i) Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.
- (ii) The terms of reference of the NRC are available on the company's website www.sagarcements.in 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 2020, the attendance at its meetings during the year 2019-20, are given below:

Name of the Member	Category of Directors	Number of meetings held during the financial year 2019-20	
		Held	Attended
Shri. K. Thanu Pillai, Chairman	Independent Director	2	2
Shri. O. Swaminatha Reddy	Independent Director	2	2
Shri. V. H. Ramakrishnan	Independent Director	2	2
Smt. S. Rachana	Non-Executive Director	2	2

The NRC had met 2 times during the year 2019-20 and the dates of these meeting are given below: 22nd May 2019 and 19th September 2019.

- (iv) The Company presently does not have any Employee Stock Option Scheme.
- (v) Performance Evaluation Criteria/ Policy for Directors:

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

5. Remuneration of Directors

Remuneration to Non-Executive Directors:

Non-Executive Directors are not paid any remuneration other than the sitting fee of ₹ 20,000/- for each meeting of the Board and Committees thereof attended by them. Sitting fees payable to the nominee director are paid directly to the institution he represents.

Details of sitting fees paid to the non-executive directors during the year 2019-20 are given below:

Sl. No.	Name of the Director	Sitting Fee (In ₹)
1	Shri. O. Swaminatha Reddy	2,40,000
2	Shri. K. Thanu Pillai	2,80,000
3	Shri. V. H. Ramakrishnan	2,40,000
4	Shri. T. Nagesh Reddy (APIDC Nominee)	1,20,000
5	Shri. John-Eric Bertrand	40,000
6	Smt. S. Rachana	1,40,000
7	Shri. Jens Van Nieuwenborgh	0
	Total	10,60,000

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

Remuneration to the Managing Director and Whole time Directors:

The Company pays remuneration to its Managing Director (MD) and Joint Managing Director (JMD)

(Whole-time Directors) by way of salary and perquisites, which are fixed components and by way of commission, a variable component. Remuneration to Whole-time Directors is paid in accordance with the recommendation made by the Nomination and Remuneration Committee and the approval as accorded by the Board of Directors, which is subject to further approval of the shareholders, wherever required.

The whole-time directors were paid the following remuneration for the year 2019-20.

Description	₹ in Lakhs	
	Dr. S. Anand Reddy (MD)	Shri. S. Sreekanth Reddy (JMD)
Salary	120	108
Perks (75% of the salary)	90	81
Total	210	189
Commission	90	90
Total	300	279

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

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

6. Stakeholders' relationship committee

- (i) The stakeholders' relationship committee is in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.
- (ii) The broad terms of reference of the stakeholders' relationship committee are as under:
- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
 - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- (iii) This Committee had the following directors as its members as on 31st March 2020:

Name of the Member	Category of the Director
Shri. T. Nagesh Reddy, Chairman	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 30 complaints from the investors

during the year 2019-20 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 2020.

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	25	25	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	2	2	0
5	Non-receipt of duplicate/transmission/deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	3	3	0
	Total	0	30	30	0

During the year, one meeting of the Stakeholders' Relationship Committee was held on 28th January 2020.

- (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. Other Committees

Investment Committee

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

Name	Category
Shri. O. Swaminatha Reddy	Chairman
Shri. K. Thanu Pillai	Member
Dr. S. Anand Reddy (from 29 th October 2018)	Member

This Committee had not met in 2019-20.

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 with the following Independent Directors as its members:

Name	Category
Shri. O. Swaminatha Reddy	Chairman
Shri. K. Thanu Pillai	Member
Shri. V. H. Ramakrishnan	Member

This Committee had not physically met in 2019-20.

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 2020.

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 2019-20	
		Held	Attended
Shri. K. Thanu Pillai, Director	Chairman	1	1
Dr. S. Anand Reddy, Managing Director	Member	1	1
Shri. S. Sreekanth Reddy, Joint Managing Director	Member	1	1
Smt. S. Rachana, Non-Executive Director	Member	1	1

8. General Body Meetings

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
38 th AGM	24 th July 2019	4.00 p.m.	Hotel Golkonda,
37 th AGM	27 th September 2018	4.00 p.m.	Masab Tank,
36 th AGM	22 nd September 2017	4.00 p.m.	Hyderabad-500 028

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

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

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

No Special Resolutions were passed at the 36th and 38th Annual General Meetings.

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

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

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

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

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

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

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

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

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 2019-20 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30 th June 2019	26 th July 2019	Financial Express and Andhra Prabha
30 th September 2019	23 rd October 2019	"
31 st December 2019	30 th January 2020	"
31 st March 2020	30 th May 2020	"

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 in respect of financial results are also made available at the company's web site.

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 2019-20. Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts/investors following the declaration of financial results are also put up on the company's website.

Management Discussion and Analysis Report

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

Subsidiary companies

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

10. General Shareholder information:

(i) Annual General Meeting:

Date & Time 3.00 p.m. on Wednesday, the 9th September 2020

Venue Through Video Conference

(ii) Financial Year: 1st April 2019 to 31st March 2020

(iii) Book Closure Dates: From 3rd September 2020 to 9th September 2020 (both days inclusive)

(iv) Dividend payment date:

The Board has recommended a dividend @ 25% i.e., ₹ 2.50 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.

(v) Listing on Stock Exchanges:

The paid up share capital of the company as on 31st March 2020 was ₹ 22,27,50,000/- consisting of 2,22,75,000 equity shares of ₹ 10/- each. All these shares have been listed on the National Stock Exchange of India Ltd. Mumbai and BSE Ltd. Mumbai. There are no dues against listing fee payable to these stock exchanges.

(vi) Stock and ISIN Codes for the Company's shares:

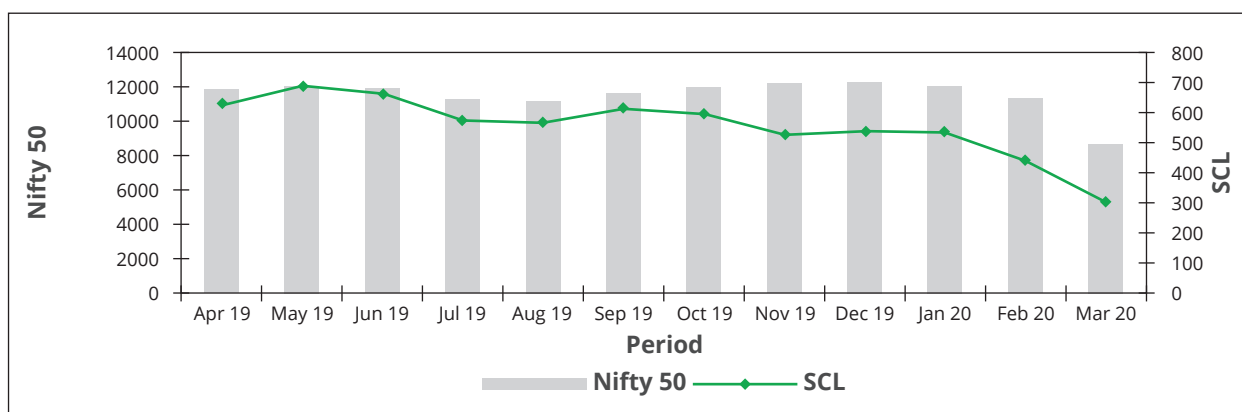
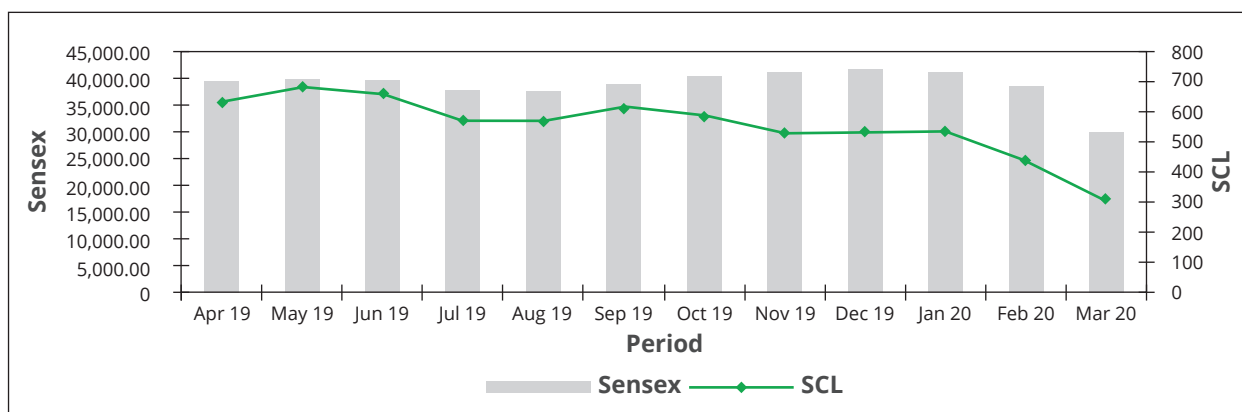
Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5 th Floor, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai - 400 001	502090
ISIN	INE229C01013

(vii) Market price details:

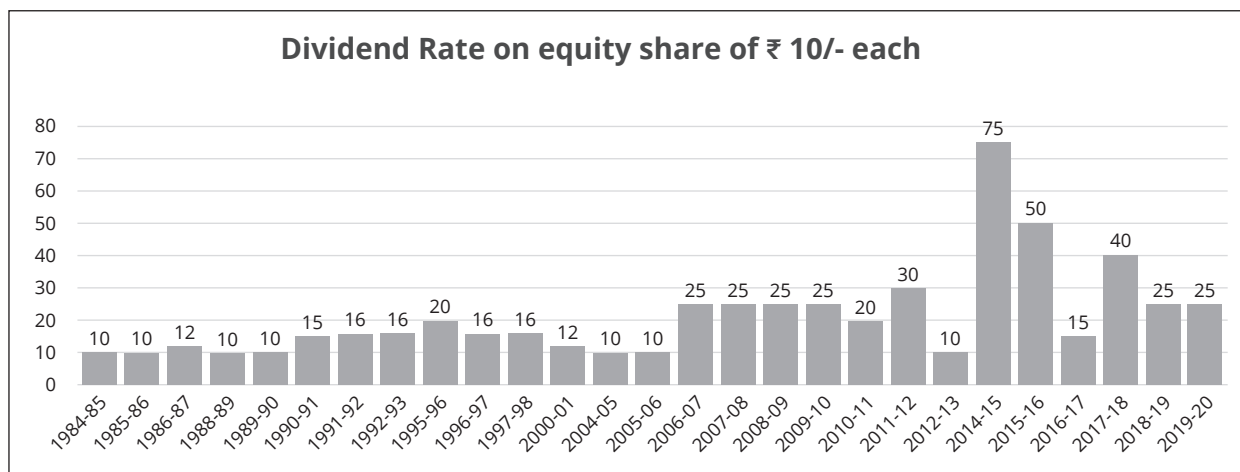
Monthly High, Low and closing prices for the Company's shares during the Financial Year as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2019	677.90	593.55	630.45	680.80	600.05	629.15
May 2019	710.90	551.55	682.05	722.00	575.10	686.20
June 2019	703.15	609.00	660.50	709.50	610.00	662.50
July 2019	720.00	554.00	574.05	675.00	555.90	574.35
August 2019	607.65	549.70	570.05	610.00	550.05	567.05
September 2019	679.00	517.30	612.10	679.90	520.95	612.75
October 2019	635.00	525.00	582.70	625.00	523.35	593.05
November 2019	604.40	519.00	528.70	603.95	520.20	526.00
December 2019	549.00	487.65	532.90	558.65	488.90	536.10
January 2020	606.60	532.35	534.00	607.25	524.00	534.95
February 2020	585.05	441.05	441.10	586.00	425.00	439.10
March 2020	473.00	246.00	305.70	491.80	236.30	304.45

The Company Share Price movements during the year 2019-20 as compared with SENSEX and NIFTY, are depicted below:



(viii) Dividend History



* subject to the approval of the shareholders at the ensuing AGM, the Board has recommended a dividend at ₹ 2.50 per share (25%) for the year 2019-20.

(ix) 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	6	1100
b	Number of shareholders who approached claiming shares against the above	-	-
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	1	100
d	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	5	1000

The voting rights on the unclaimed shares outstanding as on 31st March 2020 shall remain frozen till the rightful owners of such shares claim the shares concerned.

Toll Free No: 1800-3454-001
 mailmanager@karvy.com/
 mailmanager@karvy.com
 Website: karvycomputershare.com

(x) 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 2012 (Final dividend) were duly transferred to the Investors Education and Protection Fund set up by the Government of India in accordance with the Companies 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.

(xii) Share Transfer System:

Around 97.58% 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 dt.8.6.2018, with effect from 1.4.2019, 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.

(xi) Registrars and Share Transfer Agents:

KFin Technologies Private Limited
 (Formerly Karvy Fintech Private Limited)
 Selenium Building, Tower B, Plot 31-32,
 Financial District, Nanakramguda,
 Serilingampally Mandal
 Hyderabad -500032
 Phone:040-67161500
 e-mail: einward.ris@karvy.com

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.

(xiii) Shareholdings particulars as on 31st March 2020

(i) Distribution of shareholdings:

Shareholding range	No. of Shares	%	No. of Holders	%
1 - 50	109209	0.49	5697	53.17
51 - 100	312333	1.40	3268	30.50
101 - 200	124261	0.56	731	6.82
201 - 300	75426	0.34	280	2.61
301 - 500	129600	0.58	298	2.78
501 - 1000	175138	0.79	220	2.05
1001 - 5000	338808	1.52	163	1.52
5001 - 10000	126015	0.57	17	0.16
10001 - 20000	141867	0.64	10	0.09
20001 - 50000	141912	0.64	5	0.05
50001 - 100000	60523	0.27	1	0.01
100001 and above	2053908	92.21	24	0.22
TOTAL:	22275000	100.00	10714	100.00

(ii) Shareholding pattern:

Description	No. of holders/ Folios	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	11313751	50.79	11313751	50.79*
Domestic Companies	157	5576551	25.04	5573700	25.02
Mutual Funds	6	2487034	11.17	2485834	11.16
Public - Individuals	10072	1532737	6.88	1327712	5.96
Foreign Portfolio Investors	15	677540	3.04	677540	3.04
Insurance Companies	1	336741	1.51	336741	1.51
Non Resident Indians	255	117366	0.52	117366	0.53
Hindu Undivided Families	160	52946	0.24	52946	0.24
Clearing Members	28	6444	0.03	6444	0.03
Indian Financial Institutions/Banks	5	5163	0.02	1313	0.00
IEPF	1	168727	0.76	168727	0.76
Total	10714	22275000	100.00	22062074	99.04

*includes 3,25,000 shares for which demat was under process

(xiv) 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 - INE229C01013. Shares representing more than 99.04% of the share capital were kept in dematerialised form as on 31st March 2020 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
5,37,926	2.42	2,04,01,800	91.59	13,35,274 *	5.99	2,22,75,000	100.00

* Does not include 3,25,000 equity shares allotted in demat form for which the demat process was under progress as on 31.3.2020

(xv) Details of outstanding GDR/ADR/Warrants or any other convertible instruments:

The company has not issued any GDR/ADR.

The company had issued 31,00,000 warrants each convertible into one equity share against which up to 31st March 2020, 18,75,000 warrants were converted into equity shares at ₹ 730/- per share (including a premium of ₹ 720/- per share). As a result, the company, as on 31st March 2020, had 12,25,000 outstanding warrants. These outstanding warrants need to be converted on or before 24th July 2020 at the option of the warrant holder and assuming such conversion, the equity share capital of the company will be

₹ 23.50 Crores divided into 2,35,00,000 equity shares of ₹ 10/- each.

(xvi) Plants Location:

Cement Plants:

- Mattampally**
Via: Huzurnagar Suryapet
District Telangana - 508204
Tel: 08683 - 247039
- Bayyavaram Village**
Kasimkota Mandal
Visakhapatnam
District Andhra Pradesh - 531031
Tel: 08924 - 244098/244550

Hydel Power Plants:

1. **Guntur Branch Canal Hydel Project**
Tsallagundla Adda Road,
Nekarikallu Mandal Guntur
District Andhra Pradesh-522 615
2. **Lock-in-Sula Hydel Project**
Banumukkala Village, Banakacherla
Regulator Pamulapadu Mandal, Kurnool
District Andhra Pradesh-518 422
3. **Plant location of the Subsidiary viz.,
Sagar Cements (R) Ltd.:**
Gudipadu Village and Post
Yadiki Mandal, Ananthapur
District Andhra Pradesh-515408
Tel: 08558-200272
4. **Plant location of the Subsidiary
viz., Satguru Cement Pvt. Ltd.
(Project under implementation)**
Karondiya (Vill.) Post – Jeerabad-454446
Tahsil - Gandhwani, District Dhar, (M.P.)
5. **Plant location of the Subsidiary
viz., Jajpur Cements Pvt. Ltd.
(Project under implementation)**
Kalinganagar, Industrial Complex
Tahsil - Dangadi, District Jajpur, Odisha.

(xvii) Address for investors related correspondence:

Company Secretary
Sagar Cements Limited
Registered Office: Plot No.111, Road No.10,
Jubilee Hills, Hyderabad – 500033
Tel. 040 – 23351571 Fax: 040 – 23356573
Email: soundar@sagarcements.in

11. Other disclosures

(i) Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2019-20 as per the Ind As 24 issued by the ICAI have been given under Note 35 of the Notes to Standalone Financial Statements for the year ended 31st March 2020. These transactions were entered into by the company in its ordinary course of business and at arm's length basis. There were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions.

(ii) Statutory compliance, Penalties and Strictures:

There were no instances of non-compliance by the Company on any matter relating to capital

market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

(iii) Establishment of Vigil mechanism, Whistle Blower Policy and affirmation

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

(iv) Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:

- (a) The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations.
- (b) The audited financial statements of the Company are unqualified.
- (c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

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

(vi) Commodity Price risks and hedging activities:

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

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

SCL 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 30% of the cost of production, have a significant impact on the performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials to meet around six months of its operational requirement, by 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 (T)	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Pet Coke	102	1,32,479	100%	-	100%	-	100%

- (vii) Details of utilisation of funds raised through issue of convertible warrants of ₹ 730/- each as on 31st March 2020 for acquisition of Satguru Cement Pvt. Ltd., and Jajpur Cements Pvt. Ltd., for setting-up an integrated cement plant and a grinding station respectively and for meeting other general corporate purposes.

Particulars	Amount (₹)	Amount (₹)
Upfront amount of 25% received against allotment of 31,00,000 convertible warrants of ₹ 730/- each	56,57,50,000	
Balance amount representing 75% on the 18,75,000 warrants since converted	102,65,62,500	
Total		159,23,12,500
Utilisation as on 31st March 2020		
Investment made in Jajpur Cements Pvt. Ltd., a Wholly-owned Subsidiary in the form of equity capital	39,00,00,000	
Investment made in Satguru Cement Pvt. Ltd., a Subsidiary in the form of equity capital and premium thereon	88,99,71,430	
Towards other general corporate purpose	31,23,41,070	
Utilisation as on 31st March 2020		159,23,12,500

- (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.

- (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.

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

(xiv) Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended 31st March 2020 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.

(x) Fee paid to Statutory Auditors:

A total fee of ₹ 79 Lakhs was paid to the Statutory Auditors towards all services rendered by them to the company and to its subsidiaries viz., Sagar Cements (R) Limited, Satguru Cement Private Limited and Jajpur Cements Private Limited for the year 2019-20.

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

(xi) Disclosure in relation to sexual harassment

During the year 2019-20, 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.

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

- (a) The Internal Auditors of the company are directly reporting to the Audit Committee.
- (b) The financial statements of the company are with un-modified opinion.

(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.

13. The company is in due compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

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

Certificate of Non-Disqualification of Directors

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 has been debarred or disqualified from being appointed or continuing as Director of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Shri. Swaminatha Reddy Onteddu	00006391	05/09/1983
2	Shri. Anand Reddy Sammidi	00123870	21/11/2007
3	Shri. Sreekanth Reddy Sammidi	00123889	26/06/2008
4	Shri. Kolappa Thanu Pillai	00123920	30/01/2012
5	Shri. Valliyur Hariharan Ramakrishnan	00143948	23/09/2015
6	Smt. Rachana Sammidi	01590516	18/03/2015
7	Shri. John Eric Bertrand	06391176	17/10/2012
8	Shri. Jens Van Nieuwenborgh (Alternate Director to John Eric Bertrand)	07638244	20/11/2018
9	Shri. Nagesh Reddy Tadasina	07734358	20/04/2017

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

Place: Hyderabad
Date: 21st May 2020

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 31st March 2020, 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 31st March 2020.

Hyderabad
29th July 2020

Dr. S. Anand Reddy
Managing Director

Independent Auditor's Certificate on Corporate Governance

To the Members of Sagar Cements Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 27th September 2019.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Sagar Cements Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Ganesh Balakrishnan
Partner
(Membership No. 201193)
UDIN: 20201193AAAADV8956

Place: Hyderabad

Date: 29th July 2020