

Independent Assurance Statement

To The Board of Directors of Sagar Cements Limited

Independent Limited Assurance Statement on Selected Key Performance Indicator Disclosures in the Integrated Report of Sagar Cements Limited for the Financial Year Ended 31st March 2020

We have been engaged by the Management of Sagar Cements Limited, to provide an independent Limited Assurance Statement on Selected key performance indicators (“SPIs”) described below and presented in the Integrated Report of Sagar Cements for the Financial Year Ended March 31, 2020.

Subject matter

We are required to provide limited assurance on the following SPIs reported in numerical figures, specific to the period from April 1, 2019 to March 31, 2020 in accordance with Management’s basis of preparation. The terms of Management’s basis of preparation comprise the criteria by which the SPIs are evaluated for purposes of our limited assurance engagement.

The subject matter includes the following:

Natural Capital:

Indicators	Reporting Entities
Limestone mined (MT)	SCL - Mattampally, SCL - Gudipadu
Fly ash consumed	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Gypsum consumed	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Slag consumed	SCL - Gudipadu, SCL - Bayyavaram
Cement production	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Total energy consumption (MWh)	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Energy generated from Green & Renewable source (MWh)	SCL - Mattampally
Indirect energy consumed (kWh Excluding RE)	SCL - Mattampally
Specific energy consumption	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Non GHG emissions (SOx and NOx)	SCL - Mattampally
GHG emissions (Scope 1, 2 and 3)	SCL - Mattampally
GHG emissions (Scope 2)	SCL - Gudipadu, SCL - Bayyavaram
Freshwater withdrawal (KL)	SCL - Mattampally
Wastewater recycled (KL)	SCL - Mattampally
Solar - Mattampally (Installed capacity) (MW)	SCL - Mattampally
Water consumption RWH (KL)	SCL - Mattampally
Water consumption Borewell (KL)	SCL - Mattampally
Waste from other industries co-processed in FY 2019-20 (MT) - Slag, Spent carbon and carbon black (MT)	SCL - Mattampally, SCL - Gudipadu,
Hazardous waste disposed - Waste Lubricants Oil (Litres)	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Hazardous waste disposed - Waste Grease (Kg)	SCL - Mattampally
Hazardous waste disposed - E-Waste (Kg)	SCL - Mattampally
Non-Hazardous waste disposed - Metal scrap (MT)	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram

Human Capital:

Indicators	Reporting Entities
Lost Time Incident (LTI)	SCL - Mattampally
Lost Time Injury Frequency Rate (LTIFR)	SCL - Mattampally
Near-miss incidents	SCL - Mattampally
Safe man hours	SCL - Mattampally
Per-tonne productivity per employee	SCL - Mattampally
Number of employees trained	SCL - Mattampally, SCL - Bayyavaram
Total number of employees	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Number of employees promoted	SCL - Mattampally
Total value of employee benefits disbursed	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram
Employees covered under social security schemes	SCL - Mattampally
Number of employees belonging to local communities	SCL - Mattampally

Social and Relationship Capital:

Indicators	Reporting Entities
Corporate Social Responsibility- Total expenditure	SCL - Mattampally, SCL - Gudipadu, SCL - Bayyavaram

Responsibility of the Management

The Company's management is responsible for content of the Integrated Report, engagement with stakeholders, identification of SPIs, identification and presentation of information including the responsibility for establishing and maintaining relevant and appropriate performance management systems and internal control framework to facilitate, collection, calculation, aggregation and validation of the data with respect to the management's basis of preparation, included in the Integrated Report and preparation of the Integrated Report that is free from material misstatement, whether due to fraud or error.

Our Independence, Ethical Requirements and Quality Control

We have complied with independence policies of Deloitte Haskins and Sells LLP, which address the requirements of the International Federation of Accountants ("the IFAC") Code of Ethics for Professional Accountants in the role as independent auditors. We have complied with the relevant applicable requirements of the International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the SPIs, set out in the subject matter, as disclosed in the report for the year ended 31st March 2020 based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the SPIs are free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including and understanding of internal controls, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, inspection of documents, evaluating appropriateness of quantification methods, agreeing or reconciling with underlying data, etc.

In performing the procedures listed above, we:

- Interviewed key personnel including senior executives at respective plant locations and at the corporate office to understand the, systems and controls in place during the reporting period; and
- Desktop review of respective operational locations as specified in the subject matter in order to:
 - Test data, review of records and review of relevant documentation submitted by the Company, to arrive at the data presented in their Integrated Report; and
 - Analyse and review data management systems, processes, procedures relating to collation, aggregation, validation and reporting of the selected SPIs on a sample basis.

We have relied on the information, documents, records and explanations provided by the Company for the purpose of our review.

Our procedure does not include detailed testing of source data or the operating effectiveness of processes or internal control or review of the Company's financial performance and any other SPIs for the year prior to financial year 2019-20.

Our procedure performed in limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the SPIs have been presented, in all material respects, in accordance with the management's basis of preparation.

Further, a limited assurance engagement does not constitute an audit review of any of the underlying information in accordance with the International Standards on Auditing or International Standard on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

Our Conclusions

The procedures we have performed and the documents and records that were made available to us and according to the information and explanations provided to us by the Company in connection to the review of the SPIs set out in the subject matter paragraph and disclosed in the Report for the year ended 31st March 2020 provides an appropriate basis for our conclusion as per ISAE 3000 (Revised).

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SPIs set out in the subject matter paragraph for the year ended 31st March 2020, are not prepared, in all material respects, in accordance with the management's basis of preparation.

Other Matters

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the reports. The maintenance and integrity of the Sagar Cements website is the responsibility of its management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information on the website, the reports or our independent assurance report that may have occurred since the initial date of presentation.

Restriction on use and distribution

Our work has been undertaken to enable us to express a limited assurance conclusion on the SPI disclosures in the Integrated Report to the Management of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this Integrated Report, or for the conclusion we have reached.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W100018)

Vasudevan Ramchandran
Partner
(Membership No. 107013)
UDIN: 20107013AAAAAA8476

Place: Mumbai
Date: 3rd August 2020