

# Directors' Report

Dear Members

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

## FINANCIAL RESULTS

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

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

## PERFORMANCE

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

## DIVIDEND

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

## TRANSFER TO RESERVES

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

## SHARE CAPITAL

As on 1<sup>st</sup> April, 2020, the share capital of your company was ₹22,27,50,000/- divided into 2,22,75,000 equity shares of ₹10/- each and with the conversion of the remaining 12,25,000 warrants

during the year, the share capital of your company went up to ₹23,50,00,000/- divided into 2,35,00,000 equity shares of ₹10/- each as at 31<sup>st</sup> March, 2021.

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

## UTILISATION OF FUNDS COLLECTED THROUGH ISSUE OF WARRANTS

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

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

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

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

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

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

## GRINDING UNIT IN BAYYAVARAM

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

## FUTURE OUTLOOK

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

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

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

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

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

## RISK MANAGEMENT SYSTEM:

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

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

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

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

## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

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

## HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

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

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

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

## SEXUAL HARASSMENT

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

## AWARDS AND RECOGNITIONS

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

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

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

### DIRECTORS RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

### INDEPENDENT DIRECTORS DECLARATION

The company has received necessary declarations from all the Independent Directors of the Company in accordance with Section

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

### NUMBER OF MEETINGS OF THE BOARD

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

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

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

### BOARD EVALUATION

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

### AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S), who were re-appointed as Statutory Auditors of the company by the Shareholders at their 39<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> 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 44<sup>th</sup> Annual General Meeting to be held in the year 2025, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

### AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

#### Auditors' Report

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

#### Secretarial Auditors' Report

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

#### Secretarial Standards

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

### Cost Auditors

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

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

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

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

### TRANSACTIONS WITH RELATED PARTIES

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY

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

### EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Act, an extract of the Annual Return for the year 2020-21 has been given in the **Annexure - 5** in the prescribed format, which forms part of this report and Annual return in Form MGT-7 is also available on the company's website and can be accessed at [https://sagarcements.in/wp-content/uploads/2021/07/SCL\\_Annual-Return\\_2020-21.pdf](https://sagarcements.in/wp-content/uploads/2021/07/SCL_Annual-Return_2020-21.pdf)

### PARTICULARS OF EMPLOYEES

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

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

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

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

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

- c. The percentage increase in the median remuneration of employees in the financial year: 5.62
- d. The number of permanent employees on the rolls of Company: 556
- e. Percentage increase or decrease in the market quotations of the shares of the company, comparison to its price at which the company came out with its last public offer:

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

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

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

### Policy on transaction with related parties:

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

### WHISTLE BLOWER POLICY

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

**DEPOSITS FROM PUBLIC**

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

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

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

**INSURANCE**

All the properties of the Company have been adequately insured.

**POLLUTION CONTROL**

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

**SUB COMMITTEES OF THE BOARD**

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

**COMPLIANCE CERTIFICATE**

A certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from the Statutory Auditors of the Company regarding

compliance with the conditions of Corporate Governance is attached to this Report along with our report on Corporate Governance.

**MATERIAL CHANGES AND COMMITMENTS SINCE THE END OF THE FINANCIAL YEAR**

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

**CAUTIONARY STATEMENT**

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

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board of Directors

Hyderabad  
1<sup>st</sup> July, 2021

**Dr. S. Anand Reddy**  
Managing Director

**S. Sreekanth Reddy**  
Joint Managing Director

**Annexure 1**

**Form AOC-1**

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

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

**Part "A": Subsidiaries**

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

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

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

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

**Part "B": Associates and Joint Ventures**

The company does not have any Associates or Joint Ventures

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

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

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

**Dr.S.Anand Reddy**  
Managing Director

**K.Prasad**  
Chief Financial Officer

**S.Sreekanth Reddy**  
Joint Managing Director

**R.Soundararajan**  
Company Secretary

Place: Hyderabad

Date : 1<sup>st</sup> July, 2021

**Annexure 2**  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on March 31, 2021

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sagar Cements Ltd** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; **(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Employers Liability Act, 1938;
- (ix) Environment Protection Act, 1986 and other environmental laws;
- (x) Equal Remuneration Act, 1976;
- (xi) Factories Act, 1948;
- (xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- (xiii) Maternity Benefits Act, 1961;
- (xiv) Minimum Wages Act, 1948;
- (xv) Negotiable Instruments Act, 1881;
- (xvi) Payment of Bonus Act, 1965;
- (xvii) Payment of Gratuity Act, 1972;
- (xviii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xix) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
  - i. Cement Cess Rules, 1993;
  - ii. Cement (Quality Control) Order, 1995;
  - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
  - iv. The Hazardous Wastes (Managements Handling and 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 except to the extent as mentioned below:

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

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

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

**We further report that** the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**We further report that** during the audit period:

- i. The Company has allotted:
    - 12,25,000 Equity Shares pursuant to conversion of Warrants on 20.07.2020
- and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

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

**S. Srikanth**  
Partner

ACS No.: 22119

C P No.: 7999

Place: Hyderabad

Date: 12-05-2021

UDIN.: A022119C000285019

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

**Annexure A**

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**S. Srikanth**

Partner

ACS No.: 22119

C P No.: 7999

UDIN.: A022119C000285019

Place: Hyderabad  
Date: 12-05-2021

# Secretarial Compliance Report

**Sagar Cements Ltd**

for the year ended March 31, 2021

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

- (a) all the documents and records made available to us and explanation provided by Sagar Cements Ltd("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2021 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable to the Company during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014-Not applicable to the Company during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable to the Company during the Review Period;
- (g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013-Not applicable to the Company during the Review Period;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

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;

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

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

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

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- (c) The following are the details of the actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges(including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

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

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

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

**S. Srikanth**

Partner

ACS No.: 22119

C P No.: 7999

UDIN.: A022119C000285096

Place: Hyderabad  
Date: 12-05-2021

Annexure 3

# Form No. AOC-2

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered in to by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

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

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

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

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

On behalf of the Board of Directors

Hyderabad  
1<sup>st</sup> July, 2021

**K.Thanu Pillai**  
Chairman

Annexure 4

# Annual Report on CSR Activities

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

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

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

- a) It conducts its operations with integrity and responsibility, keeping in view the interest of all its stakeholders.
- b) It believes that growth and environment should go hand and in hand.
- c) It looks for formal collaboration with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers and Distributors to tackle the challenges faced by the society.

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

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

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

**2. Composition of CSR Committee:**

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

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

<https://sagarcements.in/investors/policies>

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

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

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

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

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

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

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

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

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

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

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

(1)	(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. State. District.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name. CSR Registration number.
Nil										

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

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

**(d) Amount spent in Administrative Overheads:** Nil

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

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

**(g) Excess amount for set off, if any**

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

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

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

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

(1)	(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 Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.).	Status of the project - Completed /Ongoing.
Not Applicable								

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

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

Hyderabad

**Dr.S.Anand Reddy**

**K Thanu Pillai**

1<sup>st</sup> July, 2021

Managing Director

Chairman, CSR Committee

**Annexure 5**

**Form No.MGT-9**

**Extract of Annual Return**

as on the financial year ended on March 31, 2021

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

**I. REGISTRATION AND OTHER DETAILS**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

**(i) Category-wise Shareholding**

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

**(ii) Shareholding of promoters**

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

**(iii) Change in Promoters' Shareholding**

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

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

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

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

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

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

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



**(v) Shareholding of Directors and Key Managerial Personnel**

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

**V. INDEBTEDNESS**

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

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

Note: These are deposits received from Customers.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of the Director				Total Amount
		Shri O.Swaminatha Reddy	Shri K. Thanu Pillai	Shri.V.H. Ramakrishnan	Mrs.O.Rekha	
1	Independent directors					
	Fee for attending board / committee meetings	60,000	5,20,000	4,40,000	3,20,000	13,40,000
	<b>Total (1)</b>	<b>60,000</b>	<b>5,20,000</b>	<b>4,40,000</b>	<b>3,20,000</b>	<b>13,40,000</b>
2	Other Non-Executive Directors					
	Fee for attending board/ committee meetings	1,80,000	0	2,40,000	0	4,20,000
	<b>Total (2)</b>	<b>1,80,000</b>	<b>0</b>	<b>2,40,000</b>	<b>0</b>	<b>4,20,000</b>
	<b>Total (B) = (1+2+3)</b>	<b>2,40,000</b>	<b>5,20,000</b>	<b>6,80,000</b>	<b>3,20,000</b>	<b>17,60,000</b>
	<b>Total Managerial Remuneration (A + B)</b>					<b>14,24,20,000</b>
	Overall Ceiling as per the Act*					

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

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

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

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

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

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

**Annexure 6****Particulars of employees as required under Section 197 of the Companies Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

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

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

**Annexure 7****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

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

**OPTIMIZATION OF PLANT CAPACITY**

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

The following initiatives have been taken.

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

**RESEARCH AND DEVELOPMENT**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

S. No	Particulars	₹ in Lakhs	
		For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
1	Outgo	6,705	7,582
2	Inflow	Nil	Nil