

Directors' Report

Dear Members,

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

Financial Results

This discussion on the financial condition and results of operations of your Company for the year ended 31st March 2022, which are summarised below, should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (M) Private Limited and Jajpur Cements Private Limited.

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

(₹ in Lakhs)

Performance

Despite increase in the input cost, particularly power and fuel, your Company could achieve a reasonable performance, resulting in an operational profit of ₹ 275.77 crores. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2021-22 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

Dividend

Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business consideration as well as the applicable regulatory requirements read with the dividend distribution policy adopted by your Company, which is available on your Company's website. In this background, your Board of Directors is pleased to recommend a dividend at ₹ 0.70 per equity share (35%) on the 13,07,07,548 equity shares of ₹ 2/- each of your Company. This would result in a total outflow of ₹ 914.95 lakhs.

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

Transfer to Reserves

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

Authorised Share Capital

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

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

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

Paid-up Share Capital

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

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

Utilisation of Funds Raised through Issue of Non Convertible Debentures

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

Subsidiaries, Joint Ventures and Associate Companies

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

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

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

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

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

Grinding Unit in Bayyavaram

This grinding unit of your Company, located at Bayyavaram in Vizag District, with a capacity of 1.5 MTPA utilises the surplus clinker available at your plant in Mattampally, for grinding into slag cement to cater to the markets in South Odisha and North Coastal districts of Andhra Pradesh where, with the identification of Vishakhapatnam

and Kakinada in Andhra Pradesh and Bhubaneswar in Odisha, which are being developed as 'smart cities' under the Prime Minister's 'Smart Cities Mission'.

Future Outlook

The cement produced from your Company's plants is presently catering to the markets in Telangana, Andhra Pradesh, Karnataka, Maharashtra, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Tamil Nadu and Gujarat.

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

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

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

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

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

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

Risk Management System

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

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

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

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

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

Internal Control System and its Adequacy

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

Human Resource Development and Industrial Relations

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

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

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

Sexual Harassment

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

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

Awards and Recognitions

Your Company has already achieved ISO Certification ISO 9001:2015 for Quality Management System Standard, ISO 14001:2015 for Environmental Management System Standard, ISO 45001:2018 for Occupational Health and Safety Management System Standard and ISO 50001:2018 for Energy Management.

Your Company was awarded with "Best Management Award" in appreciation of providing local employment and providing

skill development training for local newly qualified graduates at Mattampally unit by Ministry of Labour, Government of Telangana.

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

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

Directors Responsibility Statement

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

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

Directors and Key Managerial Personnel

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

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

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

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

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

Independent Directors Declaration

The Company has received necessary declarations from all the Independent Directors of the Company in accordance with Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence as laid out in Section 149(6) of the said Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). There has been no change in the circumstances affecting their status as an Independent Director during the year.

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

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

Number of Meetings of the Board

During the year 2021-22, eight meetings of the board were held and the details of these meetings of the Board as well as its Committees have been given in the corporate governance report, which forms part of the Integrated Report.

Credit Rating

Details of Credit Ratings obtained by the Company have been given in the corporate governance report, which forms part of the Integrated Report.

Policy on Directors’ Appointment and Remuneration and Other Details

The Company’s policy on directors’ appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 have been disclosed in the corporate governance report.

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

Board Evaluation

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

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (FR No. 008072S), who were re-appointed as Statutory Auditors of the Company by the Shareholders at their 39th Annual General Meeting held on 9th September 2020 for a second consecutive term of 5 years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 44th Annual General Meeting to be held in the year 2025, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

Auditors’ Report and Secretarial Auditors’ Report

Auditors’ Report

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

Secretarial Auditors’ Report

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

Secretarial Standards

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

Maintenance of Cost Records

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

Cost Auditors

M/s.Narasimha Murthy & Co., Cost Auditors (FR No.000042) have been appointed as Cost Auditors of the Company for the year ending 31st March 2023. A resolution seeking shareholders’ approval for ratification of the remuneration payable to the said Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

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

Particulars of Loans, Guarantees and Investments

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

Transactions with Related Parties

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with rule 8 (2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-3** in Form AOC-2 as part of this report.

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

During the year 2021-22 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company.

Policy on transaction with related parties

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

Corporate Social Responsibility

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

Annual Return

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

Particulars of Employees

The information required under Section 197 of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been given in the **Annexure-5**, which forms part of this report.

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

Particulars	Ratio to Median Remuneration
Non-Executive Directors	Non-Executive Directors are not paid any remuneration, other than sitting fee
Executive Directors:-	
Dr. S. Anand Reddy	146.55
Shri S. Sreekanth Reddy	141.52

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

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

Director, Chief Financial Officer and Company Secretary	% Increase in remuneration in the financial year
Dr. S. Anand Reddy, Managing Director	4.24
Shri S. Sreekanth Reddy, Joint Managing Director	3.73
Shri R. Soundararajan, Company Secretary	3.83
Shri K. Prasad, Chief Financial Officer	10.93

- c. The percentage increase in the median remuneration of employees in the financial year: 0.72
- d. The number of permanent employees on the rolls of Company: 751
- e. Percentage increase or decrease in the market quotations of the shares of the Company, compared to its price at which the Company came out with its last public offer:

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

* Face value of ₹ 2/- each

** Face value of ₹ 10/- each

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

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

Whistle Blower Policy

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

Deposits from Public

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

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo:

The particulars required under Section 134 (3)(m) of the Companies Act, 2013 have been provided in the **Annexure-6**, which forms part of this Report.

Insurance

All the properties of the Company have been adequately insured.

Pollution Control

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

Sub Committees of the Board

The Board has Audit Committee, Nomination and Remuneration Committee, Investment Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Securities

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

Compliance Certificate

A certificate as stipulated under Schedule V (E) of the SEBI Listing Regulations from a Practicing Company Secretary regarding compliance with the conditions of Corporate Governance is attached to this Report along with our report on Corporate Governance.

Material Changes and Commitments since the end of the Financial Year

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

Significant and material orders passed by the Regulators

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

Cautionary Statement

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

Acknowledgement

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

For and on behalf of the Board of Directors

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

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
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED (SCMPL)	JAJPUR CEMENTS PRIVATE LIMITED (JCPL)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees
4.	Share Capital	504	10,768
5.	Reserves & surplus	15,401	(1,512)
6.	Total Assets	65,610	80,791
7.	Total Equity and Liabilities	65,610	80,791
8.	Investments	0	31,468
9.	Turnover	3,719	198
10.	Profit/(Loss) before tax	(3,818)	(2,053)
11.	Provision for tax	(960)	(508)
12.	Profit/(Loss) after tax	(2,858)	(1,545)
13.	Proposed Dividend	0	0
14.	% of shareholding	65%	100%

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

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- Sagar Cements (R) Limited, a wholly-owned subsidiary of Sagar Cements Limited was merged with the holding company during the year.

Part "B": Associates and Joint Ventures

The Company does not have any Associates or Joint Ventures

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

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

- 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

DIN: 00123870

S. Sreekanth Reddy

Joint Managing Director

DIN: 00123889

K. Prasad

Chief Financial Officer

R. Soundararajan

Company Secretary

M. No. F4182

Hyderabad
11th May 2022

ANNEXURE - 2**Form No. MR-3****Secretarial Audit Report**

For the Financial Year ended on March 31, 2022

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31st 2022, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31st 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period);
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Employers Liability Act, 1938;
- (ix) Environment Protection Act, 1986 and other environmental laws;
- (x) Equal Remuneration Act, 1976;
- (xi) Factories Act, 1948;
- (xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- (xiii) Maternity Benefits Act, 1961;
- (xiv) Minimum Wages Act, 1948;
- (xv) Negotiable Instruments Act, 1881;
- (xvi) Payment of Bonus Act, 1965;
- (xvii) Payment of Gratuity Act, 1972;
- (xviii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xix) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
 - i. Cement Cess Rules, 1993;
 - ii. Cement (Quality Control) Order, 1995;
 - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
 - iv. The Hazardous Wastes (Managements Handling and Transboundary Movement) Rules, 2008;
 - v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 - vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
 - vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

- viii. The Noise Pollution (Regulation And Control) Rules, 2000;
- ix. Mines Act, 1952 and Rules issued thereunder;
- x. Mines and Mineral (Regulation and Development) Act, 1957;
- xi. The Electricity Act, 2003;
- xii. National Tariff Policy;
- xiii. Essential Commodities Act, 1955;
- xiv. Explosives Act, 1884; and
- xv. Indian Boilers Act, 1923.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

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

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ('NCLT') had, vide its Order No. CP(CAA) No.49/230/HDB/2021 dated March 15th 2022 ('Order'), approved the Scheme of Arrangement between the Company and Sagar Cements (R) Limited ('Transferor Company'), wholly-owned subsidiary of the Company, under Sections 230 to 232 of the Companies Act, 2013 and the rules made thereunder ('the Scheme'). The Appointed Date of the Scheme is March 30, 2021.
2. The Company has issued and allotted 25,000 Secured, Unlisted, Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each aggregating to ₹ 250,00,00,000/- on private placement basis.
3. During the audit period, the Board of Directors has given its approval for following:
 - a. Issue up to 1,32,07,548 Equity Shares on preferential issue basis; and
 - b. Merger of Jajpur Cements Private Limited, wholly-owned subsidiary, with the Company.

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

S. Srikanth

Partner

ACS No.: 22119

C.P.No.: 7999

Place: Hyderabad

Date: 11th May 2022

UDIN: A022119D000300584

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.

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

S. Srikanth

Partner

ACS No.: 22119

C.P.No.: 7999

UDIN: A022119D000300584

Place: Hyderabad
Date: 11th May 2022

Secretarial Compliance Report

To,
Sagar Cements Limited,
Plot No.1111, Road No.10, Jubilee Hills,
Hyderabad, Telangana – 500033.

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

- | | |
|--|---|
| <ul style="list-style-type: none"> (a) all the documents and records made available to us and explanation provided by Sagar Cements Limited (“the listed entity”), (b) the filings/ submissions made by the listed entity to the stock exchanges, (c) website of the listed entity, (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31st 2022 (“Review Period”) in respect of compliance with the provisions of: <ul style="list-style-type: none"> (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”); | <ul style="list-style-type: none"> (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018–Not applicable during the Review Period; (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 / Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021–Not applicable during the Review Period; (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008–Not applicable during the Review Period; (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013–Not applicable during the Review Period; (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars / guidelines issued thereunder; |
|--|---|

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

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (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. Compliance Requirement No. (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	Nil	

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

Sr. Action Taken No. by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
			Not Applicable

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

Sr. Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
01. Being the top 1000 listed entity as on 31/03/2020, the listed entity had no Independent Woman Director during the period from 01/04/2020 to 29.06.2020 as required under Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	March 31 st 2021	<ol style="list-style-type: none"> 1. The listed entity rectified the non-compliance by appointing an Independent Woman Director on the Board with effect from 30.06.2020. 2. A fine of ₹ 4,50,000/- plus applicable GST was paid to the NSE for non-compliance. The listed entity had requested BSE to waive-off the fine and the same was proved by BSE vide its e-mail dt. 06/07/2021. 	To the best of our knowledge, the non-compliance of delay in appointing an Independent Woman Director on the Board was not due to any negligence; and we were informed that the reason for the delay was to find appropriate person to hold the position of Independent Director in the listed entity. The listed entity rectified it by making requisite appointment w.e.f. 30/06/2020.

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

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

UDIN: A022119D000300617

Place: Hyderabad
Date: 11th May 2022

ANNEXURE - 3**Form No. AOC-2**

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

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

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

Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2021-22.

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

There were no material contracts or arrangements or transactions with related parties during the financial year 2021-22.

On behalf of the Board of Directors

Dr. S. Anand Reddy

Managing Director

DIN: 00123870

S. Sreekanth Reddy

Joint Managing Director

DIN: 00123889

K. Prasad

Chief Financial Officer

R. Soundararajan

Company Secretary

M. No. F4182

Hyderabad

11th May 2022

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

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

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

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

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

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

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

2. Composition of CSR Committee:

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

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company, Composition of CSR Committee: <https://sagarcements.in/investors/board-committees> CSR Policy and CSR Projects: https://sagarcements.in/wp-content/uploads/2020/08/Scl_CSR-Policy_21.5.2015.pdf

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

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

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

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

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

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

(c) Amount required to be set off for the financial year, if any: ₹ 13.67 lakhs

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

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

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

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

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

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

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

(d) Amount spent in Administrative Overheads: Nil**(e) Amount spent on Impact Assessment, if applicable: Nil****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2,54,56,034/-****(g) Excess amount for set off, if any**

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

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any	Amount remaining to be spent in succeeding financial years. (in ₹)
Name of the Fund Amount (in ₹) Date of transfer					
Nil					

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

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

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

Hyderabad
11th May 2022

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

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

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

Name of the Employee	Dr. S. Anand Reddy	Shri S. Sreekanth Reddy
Designation	Managing Director	Joint Managing Director
Age	58 years	50 years
Remuneration received (₹)	2,54,03,226	2,28,62,903
Commission received (₹)	4,90,00,000	4,90,00,000
Nature of employment	Contractual	Contractual
Nature of duties	General Management	General Management
Qualification	M.B.B.S.	B. E. (I & P) P. G. Dip. in Cement Technology
Experience (Years)	29	26
Date of Commencement of Employment	23/11/1991	26/06/2003
Last Employment held	Nil	Nil

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

For and on behalf of the Board of Directors

Hyderabad
11th May 2022

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

Shri S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

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

Conservation of Energy and Technology Absorption

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

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

Optimisation of Plant Capacity

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

The following initiatives have been taken.

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

Research and Development

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

Foreign Exchange earnings and Outgo

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

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

For and on behalf of the Board of Directors

Hyderabad
11th May 2022

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

Shri S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889