



## CORPORATE GOVERNANCE REPORT

for the year 2023-24

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), compliance with the requirements of Corporate Governance is set out below

### 1. Company’s philosophy on code of governance:

Sagar Cements Limited (“The Company”) believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relationship with all its stakeholders and in the process, inter-alia, would enable it to become one of the most respected

and attractive company in the industry and creating value for all its stakeholders.

### 2. Board of Directors:

#### Composition:

As on 31<sup>st</sup> March, 2024, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (“the Act”). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

- (i) As on 31<sup>st</sup> March, 2024 the Company had ten Directors, including an alternate director.
- (ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31<sup>st</sup> March, 2024 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders’ Relationship Committee are alone considered for the purpose.

Name of the Director	Category	Number of board meetings during the year 2023-24		Whether attended the last AGM held on 28.6.2023	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri K. V. Vishnu Raju	Chairman, Independent and Non-Executive Director	6	6	Yes	0	5	0	0
Shri Ravichandran Rajagopal	Independent and Non-Executive Director	6	6	Yes	0	2	0	0
Mrs. O. Rekha	Independent and Non-Executive Director	6	6	Yes	0	1	1	0
Shri Madhavan Ganesan	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	6	5	No	0	0	0	0
Mrs. Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	6	3	Yes	0	0	0	0



Name of the Director	Category	Number of board meetings during the year 2023-24		Whether attended the last AGM held on 28.6.2023	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mrs. S. Rachana	Non-Executive Director (Promoter Group)	6	6	Yes	0	0	0	0
Shri John-Eric Bertrand	Non-Executive Director	6	2	No	0	0	0	0
Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Bertrand	6	4	Yes	0	0	0	0
Dr. S. Anand Reddy	Executive Director (Promoter)	6	6	Yes	0	4	1	0
Shri S. Sreekanth Reddy	Executive Director (Promoter)	6	6	Yes	0	4	0	0

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

SI No.	Name of the Director	Category	Names of the other Listed Entities where the person is a director and the category of such directorship		Chairmanship / Membership in Committees of other Listed Entities	
			Company	Category	Chairman	Member
1	Shri K. V. Vishnu Raju	Chairman and Independent Director	Anjani Foods Limited Andhra Cements Limited	Chairman and Director Chairman and Independent Director	2	2
2	Shri Ravichandran Rajagopal	Independent Director	Anjani Foods Limited Andhra Cements Limited	Whole-time Director Independent Director	0	2
3	Mrs. O. Rekha	Independent Director	Andhra Cements Limited	Independent Director	0	2
4	Shri Madhavan Ganesan	Nominee Director	Medplus Health Services Limited	Independent Director	1	1
5	Mrs. Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	-	-	0	0
6	Mrs. S. Rachana	Non-Executive Director (Promoter Group)	Andhra Cements Limited	Non-Executive Director	0	0
7	Shri John-Eric Bertrand	Non-Executive Director	-	-	0	0
8	Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Bertrand	-	-	0	0
9	Dr. S. Anand Reddy	Managing Director (Promoter)	Andhra Cements Limited	Executive Director	0	1
10	Shri S. Sreekanth Reddy	Joint Managing Director (Promoter)	Sagarsoft (India) Limited Andhra Cements Limited	Chairman and Non-Executive Director Non-Executive Director	0	1

(iv) As on 31<sup>st</sup> March, 2024, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed

companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a

Director. Necessary disclosures regarding Committee positions held by the Directors in other public companies as on 31<sup>st</sup> March, 2024 have been made by them.



- (v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- (vi) The Board held six meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are as under:
- 10<sup>th</sup> May, 2023, 27<sup>th</sup> July, 2023, 19<sup>th</sup> October, 2023, 24<sup>th</sup> January, 2024, 26<sup>th</sup> February, 2024 and 28<sup>th</sup> March, 2024.
- (vii) Disclosure of relationship between directors inter-se:
- Dr. S. Anand Reddy, Managing Director is brother of Shri S. Sreekanth Reddy, Joint Managing Director.
- Shri S. Sreekanth Reddy, Joint Managing Director is brother of Dr. S. Anand Reddy, Managing Director and is the spouse of Mrs. S. Rachana, Non-Executive Director.
- Mrs. S. Rachana, a Non-Executive Director is the spouse of Shri S. Sreekanth Reddy, Joint Managing Director.
- Except as mentioned above, none of the other Directors is related inter-se.
- (viii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of the SEBI Listing Regulations, were placed before the Board for its consideration.
- (ix) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.
- (x) During the year, the Independent Directors separately held a meeting among themselves on 24<sup>th</sup> January, 2024.
- (xi) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.
- (xii) The details of the familiarisation programme of the Independent Directors are available on the website of the Company <https://sagarcements.in/wp-content/uploads/2020/08/Familiarization-Programme-2-1-1.pdf>.
- (xiii) In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.
- (xiv) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:
- The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant for performing their function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the whole-time directors of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and cement industry for discharging their respective responsibilities.



### Board Skill Matrix:

In terms of the requirement of the SEBI Listing Regulations, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board, along with the names of the Directors, who have such skill/expertise/competence:

Business & Industry	Domain Knowledge in Business and understanding of business environment, the development in the industry for improving Company's business
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

SI.No	Name of the Director	Skill/Expertise/Competence
1	Shri K. V. Vishnu Raju	
2	Shri Ravichandran Rajagopal	
3	Shri Madhavan Ganesan (Nominee Director)	Business and Industry, Financial, Technical Expertise, Governance and Entrepreneurship
4	Dr. S. Anand Reddy	
5	Shri S. Sreekanth Reddy	
6	Mrs. S. Rachana	Business & Industry
7	Mrs. O. Rekha	Financial Expertise, Governance & Compliance
8	Shri John-Eric Bertrand	Business & Industry, Financial Expertise, Governance & Compliance
9	Mrs. Sudha Rani Naga (Nominee Director)	Financial Expertise

(xv) Details of equity shares and convertible securities of the Company held by the Non-Executive Directors as on 31<sup>st</sup> March, 2024 are given below:

Name	Category	Number of equity shares
Mrs. S. Rachana	Non-Executive, Promoter Group	66,08,540
Mrs. O. Rekha	Independent and Non-Executive Director	1,000

As on 31<sup>st</sup> March, 2024, none of the Non-Executive Directors/Independent Directors other than those mentioned above was holding any shares or convertible securities in the company.

(xvi) During the FY2024, none of the Independent Directors had resigned from his/her directorship.



### 3. Audit Committee

- i. The composition of the Audit Committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.
  - ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:
    - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
    - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
    - Approval of payment to statutory auditors for any other services rendered by them;
    - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
      - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
      - Changes, if any, in the accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of related party transactions
    - Qualifications, if any, in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
  - Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modifications of transactions with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - discussion with internal auditors of any significant findings and follow up there on;
  - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - to look into the reasons for substantial defaults in the payment to the depositors, debenture



holders, shareholders (in case of non-payment of declared dividends) and creditors;

- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

- Establishment of vigil mechanism for directors and employees to report their genuine concerns.
  - Review of the information that is required to be carried out, mandatorily or otherwise, as per the Listing Regulations.
- iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditors and internal auditors. The Company Secretary acts as the Secretary to the Committee.
- iv. During the year Shri R.Soundararajan, Company Secretary and Compliance Officer

has retired from services with effect from 10<sup>th</sup> November, 2023 and in his place, the Board of Directors have appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11<sup>th</sup> November, 2023 to ensure compliance with and effective implementation of the Insider Trading Code.

- v. The previous Annual General Meeting (“AGM”) of the Company was held on 28<sup>th</sup> June, 2023 and the Chairman of the audit committee was present at the said meeting.
- vi. The composition of the Audit Committee as on 31<sup>st</sup> March, 2024 and the details of attendance at its meetings held during the year 2023-24 are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY2024	
		Held	Attended
Mrs. O. Rekha, Chairperson	Independent Director	5	5
Shri K. V. Vishnu Raju, Member	Independent Director	5	5
Shri Ravichandran Rajagopal, Member	Independent Director	5	5
Shri Madhavan Ganesan, Member	Nominee Director	5	4

- vii. The Audit committee met 5 times during the year 2023-24 and the dates of these meetings are as under:

10<sup>th</sup> May, 2023, 27<sup>th</sup> July, 2023, 19<sup>th</sup> October, 2023, 24<sup>th</sup> January, 2024 and 26<sup>th</sup> February, 2024.

#### 4. Nomination and Remuneration Committee

- i. Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

- ii. The terms of reference of the NRC are available on the company's website [https:// sagarcements.in/](https://sagarcements.in/) as part of the Nomination and Remuneration Policy adopted by the company.



### Nomination and Remuneration policy:

The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and

motivating workforce. Individual performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's website, <https://sagarcements.in/>

iii. The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2024 and the details of the attendance at its meeting held during the year 2023-24, is as under:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Mrs. O. Rekha, Chairperson	Independent Director	1	1
Shri K. V. Vishnu Raju, Member	Independent Director	1	1
Shri Ravichandran Rajagopal, Member	Independent Director	1	1
Shri Madhavan Ganesan, Member	Nominee Director	1	1

During the year, one meeting of the Nomination and Remuneration Committee was held on 10<sup>th</sup> May, 2023.

The company has adopted a Policy for evaluating the performance of its Independent Directors, and the same is available on the company's website as part of its Nomination and Remuneration Policy.

## 5. Remuneration of Directors

### Remuneration to Non-Executive Directors:

Currently, Non-Executive Directors are not paid any remuneration other than the sitting fee of ₹ 40,000/- for each meeting of the Board and Committees thereof attended by them. However, sitting fees payable to the nominee directors from APIDC are paid directly to the institution she represents.

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

Details of sitting fees paid to the non-executive directors during the year 2023-24 are given below:

S. No.	Name of the Director	Sitting Fee (In ₹)
1	Shri K. V. Vishnu Raju	6,00,000
2	Shri Ravichandran Rajagopal	6,00,000
3	Mrs. O. Rekha	6,00,000
4	Shri Madhavan Ganesan, Nominee, (PI Opportunities Fund-I Scheme II)	4,40,000
5	Mrs. Sudha Rani Naga (APIDC Nominee) Their sitting fees were directly paid to the Institution they represented.*	1,60,000
6	Mrs. S. Rachana	2,80,000
7	Shri John-Eric Bertrand	80,000
8	Shri Jens Van Nieuwenborgh (Alternate Director to Shri John-Eric Bertrand)	1,60,000
<b>Total</b>		<b>29,20,000</b>

\*Mrs. K. B. Rekha Rani, attended the board meeting held on 28<sup>th</sup> March, 2024 on behalf of APIDC.



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

The Criteria for making the payment to Non-Executive Directors are available on the company's website <https://sagarcements.in/wp-content/uploads/2020/08/Criteria-for-making-payment-to-Non-Executive-Directors.pdf>

### Remuneration to the Managing Director and Whole time Directors:

The Company pays remuneration to its Managing Director (MD) and Joint Managing Director (JMD) (Whole-time Directors) by way of salary and perquisites, which are fixed components and by way of commission, a variable component. Remuneration to Whole-time Directors is paid in accordance with the recommendation made by the Nomination and Remuneration Committee and the approval as accorded by the Board of Directors, which is subject to further approval of the shareholders.

The whole-time directors were paid the following remuneration for the year 2023-24.

Description	(₹ in Lakhs)	
	Dr. S. Anand Reddy (MD)	Shri S. Sreekanth Reddy (JMD)
Salary	180.00	162.00
Perks (75% of the salary)	135.00	121.50
<b>Sub-Total</b>	<b>315.00</b>	<b>283.50</b>
Commission	56.50	56.50
<b>Total</b>	<b>371.50</b>	<b>340.00</b>

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

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

## 6. Stakeholders' Relationship Committee

- i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.
- ii. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc., as per the procedures applicable under relevant regulations.





- iii. The composition of the Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2024 and the details of the attendance during the year 2023-24 is as under:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Mrs. Sudha Rani Naga, Chairperson	Nominee/Non-Executive Director	1	-
Dr. S. Anand Reddy, Member	Managing Director	1	1
Shri K. V. Vishnu Raju, Member	Independent Director	1	1

During the year, one meeting of the Stakeholders' Relationship Committee was held on 24<sup>th</sup> January, 2024.

Further, during the year Shri R.Soundararajan, Company Secretary and Compliance Officer has retired from services with effect from 10<sup>th</sup> November, 2023 and in his place, the Board of Directors have appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11<sup>th</sup> November, 2023.

Based on the information obtained from the Company's Registrars, the Company had received 189 complaints from the investors during the year 2023-24 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There are two complaints pending as on 31<sup>st</sup> March, 2024 which were resolved subsequently.

SI.No	Particulars	Opening	Received	Resolved	Pending
1	Non-receipt of shares after transfer / transmission	0	5	5	0
2	Non-receipt of dividend warrants	0	138	136	2
3	Non-receipt of Annual Report	0	5	5	0
4	Non-receipt of Securities	0	35	35	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	6	6	0
	<b>Total</b>	<b>0</b>	<b>189</b>	<b>187</b>	<b>2</b>

- iv. Name, designation and address of Compliance Officer:

### Shri J.Raja Reddy

Company Secretary

Sagar Cements Limited

Regd.Office: Plot No.111, Road No.10

Jubilee Hills, Hyderabad-500 033

Telephone: 91 40 23351571



## 7. Risk Management Committee

- i. The Board of Directors in their meeting held on 1<sup>st</sup> July, 2021, constituted a Risk Management Committee. The composition of the Risk Management Committee is in line with the provisions of Regulation 21 of the SEBI Listing Regulations.
- ii. The terms of reference of the Risk Management Committee are available on the company's website <https://sagarcements.in/wp-content/uploads/2020/08/ScI-Risk-Management-Policy-1.pdf> as part of the Risk Management Policy.
- iii. The details of the composition of the Risk Management Committee as on 31<sup>st</sup> March, 2024 and the attendance at its meetings held during the year 2023-24, are given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Shri S. Sreekanth Reddy, Chairman	Joint Managing Director	2	2
Shri Ravichandran Rajagopal, Member	Independent Director	2	2
Mrs. O. Rekha, Member	Independent Director	2	2
Shri Madhavan Ganesan, Member	Nominee Director	2	1
Shri K. Prasad, Member	Chief Financial Officer	2	2

The Risk Management Committee had met twice during the year 2023-24 on 27<sup>th</sup> July, 2023 and 7<sup>th</sup> December, 2023.

### Other Committees

#### Investment Committee

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

Name	Category
Shri K. V. Vishnu Raju, Chairman	Independent Director
Shri Ravichandran Rajagopal, Member	Independent Director
Mrs. O. Rekha, Member	Independent Director
Dr. S. Anand Reddy, Member	Managing Director



### Securities Allotment Committee

With a view to allot securities as and when approved by the Board/Shareholders, the company has constituted a committee known as Security Allotment Committee and the following Independent Directors are its members:

Name	Category
Shri K. V. Vishnu Raju, Chairman	Independent Director
Shri Ravichandran Rajagopal, Member	Independent Director
Mrs. O. Rekha, Member	Independent Director

### Corporate Social Responsibility Committee

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Act.

The company is committed to operate and grow its business in a socially responsible way, by, inter-alia, reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will make a big difference. This CSR Policy of the company is guided by the following principles:

1. To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.
2. Growth and environment should go hand in hand.
3. Availing of opportunities for collaborating with different stakeholders including Governments, NGOs, Suppliers and Distributors to tackle the challenges faced by the society.

During the year, one meeting of the Committee was held on 24<sup>th</sup> January, 2024.

The composition of the CSR Committee and details of the attendance at the meeting is given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Shri K. V. Vishnu Raju, Chairman	Independent Director	1	1
Dr. S. Anand Reddy, Managing Director	Member	1	1
Shri S. Sreekanth Reddy, Joint Managing Director	Member	1	1
Mrs. S. Rachana, Non-Executive Director	Member	1	1



### Senior Management:

Particulars of senior management including the changes therein since the close of the previous financial year:

- (a) The details of Senior Management as on March 31, 2024 pursuant to SEBI Listing Regulations:

Sl. No.	Name	Designation
1.	Shri. Ganesh K	Group President
2.	Shri. Rajesh Singh	Chief Marketing Officer
3.	Shri. Prasad K	Chief Financial Officer
4.	Shri. Rajareddy Jingilipalem	Company Secretary and Compliance Officer
5.	Shri. Sanjay Singh	Senior General Manager - Finance & Accounts
6.	Shri. Rama Sarma Ganti	Senior General Manager
7.	Shri. Mohan Reddy G.M	Senior General Manager (General Administration)
8.	Shri. Anji Reddy O	Chief Sustainability Officer
9.	Shri. B S P RAJU	Vice President (Mines)
10.	Shri. Manda Venkata Ramana Murthy	Senior Vice President (Works)
11.	Shri. E P Ranga Reddy	Vice President (Works)
12.	Shri. Kasanneni Srinivasa Rao	Senior General Manager (Works)
13.	Shri. Prasad Babu G	General Manager (Works)

- (b) Changes in Senior Management since the close of the previous financial year:

During the financial year, Shri R.Soundararajan, Company Secretary and Compliance Officer retired from services with effect from 10<sup>th</sup> November, 2023 and in his place, the Board of Directors appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11<sup>th</sup> November, 2023.



## 8. General Body Meetings

### i. General Meeting

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

AGM	Date	Time	Venue
42 <sup>nd</sup> AGM	28 <sup>th</sup> June, 2023	3.00 p.m.	Through VC/OAVM
41 <sup>st</sup> AGM	30 <sup>th</sup> June, 2022	3.00 p.m.	Through VC/OAVM
40 <sup>th</sup> AGM	28 <sup>th</sup> July, 2021	2.00 p.m.	Through VC/OAVM

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

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

No Special Resolutions were passed at the 41<sup>st</sup> and 42<sup>nd</sup> Annual General Meetings.

#### Resolutions passed through Postal Ballot on 21st September, 2023:

One Special resolution was passed on 21<sup>st</sup> September, 2023 through Postal Ballot regarding Alteration in the Articles of Association of the Company. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

##### Resolution: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,04,84,987
Votes cast in favour of the resolution	11,04,84,424
Votes cast against the resolution	563
Number of invalid / abstained votes received	912

#### Resolutions passed through Postal Ballot on 03rd May, 2023:

One Special resolution was passed on 03<sup>rd</sup> May, 2023 through Postal Ballot regarding appointment of Shri Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:



### Resolution: Appointment of Shri Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company

Particulars	Number of Votes
Number of valid votes received	11,82,26,946
Votes cast in favour of the resolution	11,82,26,102
Votes cast against the resolution	844
Number of invalid / abstained votes received	500

### Resolutions passed at the Extra-ordinary General Meeting held on 7th December, 2023

Two Special resolutions were passed at the Extra-ordinary General Meeting (EGM) held on 7<sup>th</sup> December, 2023. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

#### Resolution-1: Execution of Shareholders Agreement for granting certain special rights to M/s. AVH India Resources Private Limited

Particulars	Number of Votes
Number of valid votes received	11,35,87,430
Votes cast in favour of the resolution	10,30,62,721
Votes cast against the resolution	1,05,24,709
Number of invalid / abstained votes received	25

#### Resolution 2: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,35,87,430
Votes cast in favour of the resolution	10,30,62,881
Votes cast against the resolution	1,05,24,549
Number of invalid / abstained votes received	25

#### Procedure for Postal Ballot – when conducted

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote through e-voting. The postal ballot notice is sent to shareholders in electronic form to their email addresses, wherever available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013 in connection with the above.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutiniser submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of the conclusion of the e-voting period. The results are displayed on the website of the Company ([www.sagarcements.in](http://www.sagarcements.in)), and communicated to the Stock Exchanges, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for exercising e-voting.

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



## 9. Means of communication

### Quarterly results:

As part of compliance with Regulation 33, 10 and 47 of the SEBI Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations.

### Newspapers in which the results were published:

Details of newspapers in which quarterly results relating to the FY2024 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30 <sup>th</sup> June, 2023	29 <sup>th</sup> July, 2023	
30 <sup>th</sup> September, 2023	21 <sup>st</sup> October, 2023	Financial Express and Andhra Prabha
31 <sup>st</sup> December, 2023	26 <sup>th</sup> January, 2024	
31 <sup>st</sup> March, 2024	16 <sup>th</sup> May, 2024	

### Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website '[www.sagarcements.in](http://www.sagarcements.in)' and also on the website of NSE and BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

### Press Release

Press Releases as and when issued by the company following the publication of financial results are also made available at the company's website.

### Presentation made to Institutional Investors and Financial Analysts:

Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts / investors following the declaration of financial results are also put up on the company's website. Excepting on occasions when the Company had to respond in a general way to the queries now and then received from investors / analysts regarding the affairs of the company and the declaration of the quarterly, half-yearly and annual financial results, there were not many specific presentations made to any of them during the year 2023-24.

### Management Discussion and Analysis Report

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

### Subsidiary companies

The Company has two subsidiaries viz., Sagar Cements (M) Private Limited and Andhra Cements Limited. The Audit Committee of the Board reviews the consolidated financial statements of the Company containing financials of these subsidiaries. The minutes of the board meetings of the subsidiaries are periodically placed before the Board of Directors of the Company.



## 10. General Shareholder information:

### a. Annual General Meeting:

Date & Time	3.00 p.m. on Wednesday, the 26 <sup>th</sup> June, 2024
Venue	Through Video Conference /Other Audio Visual Means

### b. Financial Year: 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024

### c. Book Closure Dates: From 20<sup>th</sup> June, 2024 to 26<sup>th</sup> June, 2024 (both days inclusive)

### d. Dividend payment date:

The Board has recommended a dividend @ 35% i.e., ₹ 0.70 per share of ₹ 2/- each, subject to its declaration by the members at the Annual General Meeting and the same will be paid to the eligible shareholders within 30 days of the said declaration.

### e. Listing on Stock Exchanges:

The paid-up share capital of the company as on 31<sup>st</sup> March, 2024 was ₹ 26,14,15,096/- consisting of 13,07,07,548 equity shares of ₹ 2/- each. All these shares have been listed on the National Stock Exchange of India Ltd., Mumbai and BSE Ltd., Mumbai. There are no dues against listing fee payable to these stock exchanges.

### f. Stock and ISIN Codes for the Company's shares:

Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5 <sup>th</sup> Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	502090
ISIN - Equity	INE229C01021
ISIN - Debt	INE433R07016





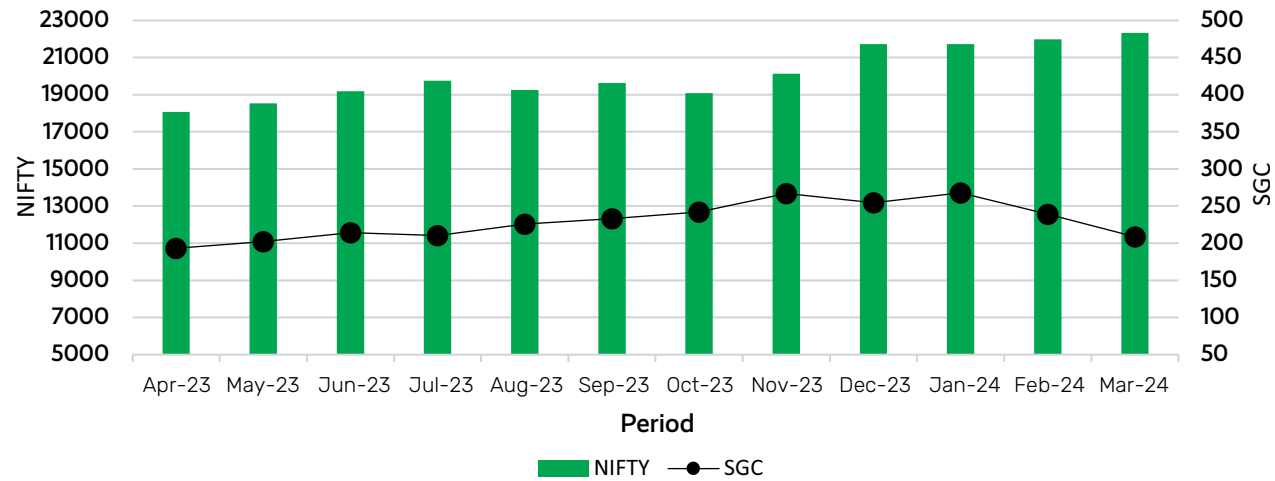
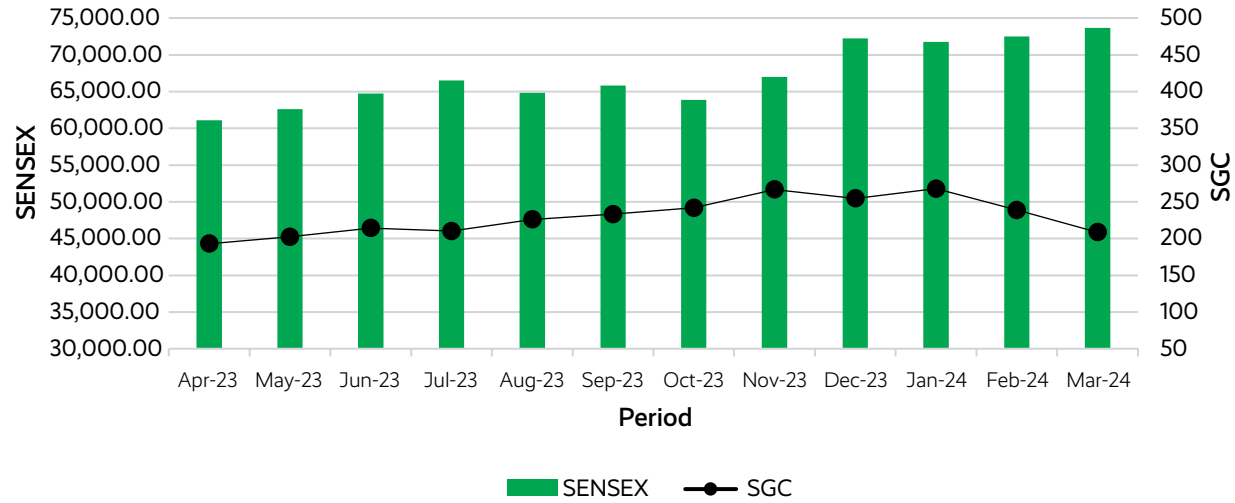
### g. Market price details:

Monthly High, Low and closing prices for the Company's shares of ₹ 2/- each during the Financial Year as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2023	195.80	189.20	192.85	208.35	184.00	193.10
May 2023	205.25	199.80	203.15	217.90	189.15	202.30
June 2023	218.95	213.00	214.10	228.00	202.30	214.20
July 2023	213.40	209.00	210.45	217.80	190.85	210.10
August 2023	227.85	221.10	225.75	256.95	207.20	225.90
September 2023	234.95	225.20	232.90	246.80	216.00	233.10
October 2023	248.45	237.90	243.05	269.60	227.70	241.90
November 2023	272.40	262.90	266.90	275.55	238.00	266.85
December 2023	262.95	253.50	254.65	289.05	250.00	254.70
January 2024	272.00	264.50	267.75	304.65	254.00	267.75
February 2024	240.50	233.65	238.05	271.95	234.60	238.85
March 2024	210.40	205.10	208.30	253.75	201.00	208.55

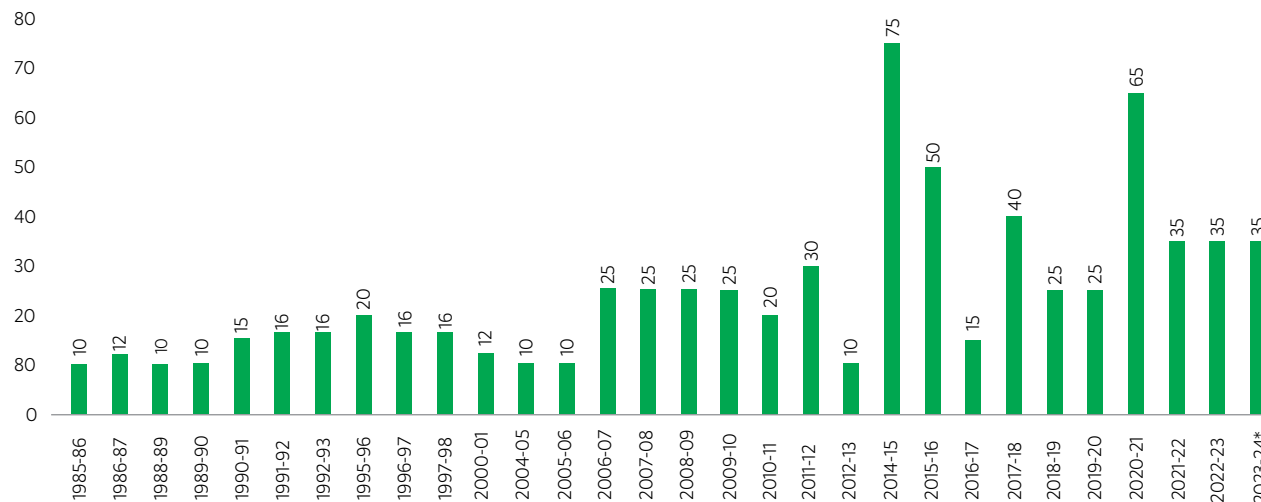


The Company's Share Price movements during the year 2023-24 as compared with SENSEX and NIFTY, are depicted below:





## h. Dividend History



\* Subject to the confirmation /declaration by the shareholders at the ensuing AGM, the Board has recommended a dividend at ₹ 0.70 per share (35%) for the year 2023-24.

The voting rights on the unclaimed shares outstanding as on 31<sup>st</sup> March, 2024 shall remain frozen till the rightful owners of such shares claim the shares concerned.

### i. Transfer of unclaimed / unpaid dividend amounts to the Investor Education and Protection Fund (“IEPF”):

The un-claimed dividends for the financial year ended 31<sup>st</sup> March, 1996 onwards and up to the financial year ended 31<sup>st</sup> March, 2016 were duly transferred to the Investor Education and Protection Fund set up by the Government of India in accordance with the Act as applicable at the time of such transfer. Details of the unclaimed dividends for the subsequent periods are available on the company’s website, [www.sagarcements.in](http://www.sagarcements.in).

### j. Registrars and Share Transfer Agents:

KFin Technologies Limited  
Selenium Building, Tower B, Plot No(s) 31-32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally Mandal  
Hyderabad -500032  
Toll Free No: 1800-3094-001  
e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: <https://www.kfintech.com>



**k. None of the securities of the Company were suspended from trading.**

**l. Share Transfer System:**

Around 99.51% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dated 8<sup>th</sup> June, 2018, with effect from 1<sup>st</sup> April, 2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

As regards transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/legal heir certificate can be lodged either with the Company at its Registered Office or with the Company's Registrars and Share Transfer Agents, whose address has been given above.

**m. Shareholdings particulars as on 31st March, 2024**

**(i) Distribution of shareholdings:**

Sl.No	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 50	19089	53.56	369909	0.28
2	51 - 100	4867	13.66	412998	0.32
3	101 - 200	3167	8.89	501197	0.38
4	201 - 300	1687	4.73	436366	0.33
5	301 - 500	3344	9.38	1558751	1.19
6	501 - 1000	1518	4.26	1222197	0.94
7	1001 - 5000	1581	4.44	3333473	2.55
8	5001 - 10000	191	0.54	1428099	1.09
9	10001 - 20000	88	0.25	1246865	0.95
10	20001 - 50000	51	0.14	1679510	1.28
11	50001 - 100000	20	0.06	1350996	1.03
12	100001 and above	35	0.10	117167187	89.64
<b>TOTAL:</b>		<b>35638</b>	<b>100.00</b>	<b>130707548</b>	<b>100.00</b>

**(ii) Shareholding pattern:**

Description	No. of holders	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	63144645	48.31	63144645	48.31
Domestic Companies	199	27885693	21.33	27872938	21.32
Mutual Funds	9	7309828	5.59	7303828	5.59
Alternate Investment Funds	3	14102228	10.79	14102228	10.79
Public - Individuals	34132	11325005	8.66	10719245	8.20
Foreign Portfolio Investors	33	3535919	2.71	3535919	2.71
Insurance Companies	1	1067967	0.82	1067967	0.82
Non-Resident Indians	779	834715	0.64	834715	0.64
Clearing Members	1	83	0.00	83	0.00
Indian Financial Institutions/Banks	4	19750	0.02	500	0.00
IEPF	1	1001893	0.77	1001893	0.77
H U F	458	374768	0.29	374768	0.29
Key Managerial Personnel	1	36937	0.03	36937	0.03
Qualified Institutional Buyer	1	64617	0.05	64617	0.05
Relatives of Promoters (Other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group')	2	3500	0.00	3500	0.00
<b>Total</b>	<b>35638</b>	<b>130707548</b>	<b>100.00</b>	<b>130063783</b>	<b>99.51</b>



## EVOLUTION OF SHARE CAPITAL

Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos.	
				From	To
23 <sup>rd</sup> January 1981	Subscribed in the Memorandum of Association	5100	₹ 10/-	1	5100
28 <sup>th</sup> June 1984	Private Placement (Pre-public issue)	844900	₹ 10/-	5101	850000
4 <sup>th</sup> September 1984	As above	140000	₹ 10/-	850001	990000
24 <sup>th</sup> November 1984	As above	330000	₹ 10/-	990001	1320000
24 <sup>th</sup> November 1984	Through Public Issue	1530000	₹ 10/-	1320001	2850000
19 <sup>th</sup> December 1990	400 shares were allotted to the shareholders of erstwhile Sagar Laticrete Systems Ltd., as per the Scheme of Amalgamation of the said Company with Sagar Cements Limited	400	₹ 10/-	2850001	2850400
1 <sup>st</sup> March 1993	The Company had issued FCDs, which were to be converted automatically into 53,01,900 equity shares on 1 <sup>st</sup> March 1993.	5301900	₹ 20/-	2850401	8152300
9 <sup>th</sup> July 2001	Company allotted these shares on a preferential basis	3000000	₹ 10/-	8152301	11152300
9 <sup>th</sup> March 2007	Shares allotted against conversion of 550000 warrants earlier allotted to the promoter group on a preferential basis	550000	₹ 82/-	11152301	11702300
15 <sup>th</sup> March 2007	Shares allotted to India Fund Inc., U.S.A., an FII on a preferential basis	1000000	₹ 180/-	11702301	12702300
30 <sup>th</sup> July 2007	Shares allotted against conversion of 367432 warrants earlier allotted to the promoter group on a preferential basis	367432	₹ 82/-	12702301	13069732
25 <sup>th</sup> October 2007	Allotted against conversion of 267568 warrants - to Amareswari Cements Limited	267568	₹ 82/-	13069733	13337300
10 <sup>th</sup> April 2008	Allotted to the promoter Group against conversion of 665000 warrants	665000	₹ 82/-	13337301	14002300
6 <sup>th</sup> August 2008	Allotted to M/s. Parficim S.A.S., France - A preferential allotment made at a premium of ₹690/- per share	1000000	₹ 700/-	14002301	15002300
20 <sup>th</sup> May 2011	Extinguishment of 900000 equity shares held by Amareswari Cements Limited in SGC, pursuant to the Scheme of merger of the ACL with Sagar Cements Limited	(267568)		11434733	11702300
		(267568)		13069733	13337300
		(364864)		13637437	14002300
12 <sup>th</sup> July 2011	Allotment of shares to the ACL Shareholders under the Scheme of its merger with SGC	3285714	₹ 10/-	15002301	18288014
7 <sup>th</sup> December, 2016	Allotment of shares to the Promoter Group	3,05,993	₹ 800/-	18288015	18594007
7 <sup>th</sup> December, 2016	Allotment of shares to Non-Promoter Group	3,05,993	₹ 800/-	18594008	18900000
14 <sup>th</sup> February, 2017	Allotment of shares on QIP Basis	24,00,000	₹ 720/-	18900001	21300000
24 <sup>th</sup> July, 2019	Allotment of shares to the Promoter Group against conversion of warrants	7,75,000	₹ 730/-	21300001	22075000
24 <sup>th</sup> July, 2019	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹ 730/-	22075001	22850000
27 <sup>th</sup> March, 2020	Allotment of shares to the Promoter Group against conversion of warrants	3,25,000	₹ 730/-	22850001	23175000
20 <sup>th</sup> July, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹ 730/-	23175001	23950000
20 <sup>th</sup> July, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	4,50,000	₹ 730/-	23950001	24400000



Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos.	
				From	To
18 <sup>th</sup> August, 2021	Cancellation of 2,35,00,000 equity shares of ₹ 10/- each pursuant to splitting in to equity shares of ₹ 2/- each	(2,35,00,000)	-	-	-
18 <sup>th</sup> August, 2021	Splitting of 2,35,00,000 equity shares of the face value of ₹ 10/- each into the face value of ₹ 2/- each	11,75,00,000	-	1	117500000
7 <sup>th</sup> May, 2022	Allotment of shares to Non-Promoter Group	1,32,07,548	₹ 265/-per share	117500001	130707548
<b>Total</b>		<b>13,07,07,548</b>			

#### n. Dematerialisation of Shares and liquidity:

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is – INE229C01021. Shares representing 99.51% of the share capital were in dematerialised form as on 31<sup>st</sup> March, 2024 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
643765	0.49	78868682	60.34	51195101	39.17	130707548	100.00

#### o. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:

The company has not issued any GDR/ADR.



**p. Plants Location:**

**Cement Plants:**

1. **Mattampally**  
Via: Huzurnagar  
Suryapet District, Telangana – 508204  
Tel: 08683 - 247039
2. **Bayyavaram Village**  
Kasimkota Mandal  
Visakhapatnam District  
Andhra Pradesh – 531031  
Tel: 08924 – 244098 / 244550
3. **Gudipadu Village**  
Yadiki Mandal  
Ananthapur District  
Andhra Pradesh-515408  
Tel: 08558-200272

**4. Kalinganagar, Industrial Complex**

Tahsil-Dangadi  
Dist-Jajpur, Odisha-755026  
Tel: 08340-882288

**Hydel Power Plants:**

1. **Guntur Branch Canal Hydel Project**  
Tsallagundla Adda Road, Nekarikallu Mandal  
Guntur District, Andhra Pradesh-522 615
2. **Lock-in-Sula Hydel Project**  
Banumukkala Village, Banakacherla Regulator  
Pamulapadu Mandal, Kurnool District,  
Andhra Pradesh-518 422

**Plant location of the Subsidiary viz., Sagar Cements (M) Private Limited**

Karondiya (Village),  
Post-Jeerabad, Tehsil-Gandhwani,  
Dhar District,  
Madhya Pradesh – 454446.

**Plant location of the Subsidiary viz., Andhra Cements Limited**

Sri Durga Cement Works,  
Sri Durgapuram, Srinagar Post  
Dachepalli mandal, Palnadu District,  
Andhra Pradesh-522 414.

**q. Address for investors related correspondence:**

Company Secretary  
Sagar Cements Limited  
Registered Office: Plot No.111,  
Road No.10, Jubilee Hills,  
Hyderabad, Telangana - 500033  
Tel. 040 – 23351571  
Email: [cs@sagarcements.in](mailto:cs@sagarcements.in)





#### r. Credit Rating and Details of Revision:

Rating Agency	Type of Instrument	Rating as on 31st March, 2024	Rating as on 31st March, 2023
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND A / Negative/ IND A1	IND A Stable IND A1
	Non-Fund based Working Capital Limits	IND A1	IND A Stable IND A1
	Term Loan	IND A / Negative	IND A Stable
	Non-convertible Debentures (NCDs)	IND A / Negative	IND A Stable

## 11. Other disclosures

### i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2023-24 as per the Ind AS 24 issued by Institute of Chartered Accountants of India ("the ICAI") have been given under Note 34 of the Notes to Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2024. These transactions were entered into by the company in its ordinary course of business and at an arm's length basis. During the year 2023-24, there were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions wherever required.

### ii. Statutory compliance, Penalties and Strictures:

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

### iii. Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation:

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

### iv. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:

- (a) The Company had implemented all the mandatory requirements

applicable to it under SEBI Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations and the same may be referred in Point No.13 in this report.

- (b) The audited financial statements of the Company are unqualified.
- (c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.
- v. The Policy on dealing with related party transactions and the policy for determining 'material' subsidiaries are available on the company's website [http://sagarcements.in/wp-content/uploads/2020/08/SCL\\_Policy-on-Related-Party-Transactions.pdf](http://sagarcements.in/wp-content/uploads/2020/08/SCL_Policy-on-Related-Party-Transactions.pdf) and [https://sagarcements.in/wp-content/uploads/2020/08/Scl\\_Policy-on-Material-Subsidiary\\_27.1.16.pdf](https://sagarcements.in/wp-content/uploads/2020/08/Scl_Policy-on-Material-Subsidiary_27.1.16.pdf) respectively.



**vi. Commodity Price risks and hedging activities:**

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

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

Sagar Cements Limited has captive limestone mine which is one of the major raw materials to produce cement. Commodities like Iron ore, bauxite and laterite are utilised in the manufacturing process but they are not significant.

Further the price of other major raw materials like Coal and Pet Coke which are close to 41% of the cost of production, have a significant impact on the performance of the company

since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials in advance to meet around six months of its operational requirement, by optimising the domestic and import sources through establishment of long term financial instruments.

Company's current exposures to the major commodities are given below:

Commodity Name	Exposure (₹ in Crores)	Exposure in Qty in (MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke / Coal (Imported)	185.98	167311	100%	-	100%	-	100%
Pet Coke / Coal (Domestic)	250.39	248542	0%	-	0%	-	0%

**vii. Utilisation of funds raised through preferential allotment or qualified institutions placement:**

During the FY2024, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the SEBI Listing Regulations.

**viii. Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.**

**ix. None of the recommendations made by any Committee at its meetings was rejected by the Board.**

**x. Fee paid to Statutory Auditors:**

A total fee of ₹ 148 Lakhs was paid to the Statutory Auditors towards all services rendered by them to the company and to its subsidiaries viz., Sagar Cements (M) Private Limited and Andhra Cements Limited for the year 2023-24.

**xi. Disclosure in relation to sexual harassment:**

During the year 2023-24, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

**xii. The company has not provided any loans and advances in the nature of loans to other firms / companies in which directors are interested other than to its subsidiary companies.**



### xiii. Details of material subsidiary as on 31st March, 2024

1.	<b>Name</b>	<b>Sagar Cements (M) Private Limited</b>
	Date and place of incorporation	Incorporated on 21 <sup>st</sup> March, 2001 in the State of Madhya Pradesh
	Registered Office	602/A and 602/B, Airen Heights, PU-3, Scheme No.54, Opp.C-21 Mall, A.B.Road, Indore, Madhya Pradesh-452 001
	Statutory Auditors	M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on 27 <sup>th</sup> September, 2019 for a period of 5 years
2.	<b>Name</b>	<b>Andhra Cements Limited</b>
	Date and place of incorporation	Incorporated on 1 <sup>st</sup> November, 1936 in the State of Andhra Pradesh
	Registered Office	Sri Durga Cement Works Sri Durgapuram, Palnadu, Andhra Pradesh, India, 522414
	Statutory Auditors	M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on 5 <sup>th</sup> June, 2023 for a period of 5 years

### xiv. Reconciliation of Share Capital Audit:

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

xv. The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company [www.sagarcements.in](http://www.sagarcements.in).

### xvi. Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended 31<sup>st</sup> March, 2024 with the Code applicable to them. A certificate by the Managing Director to this effect has been given in the annexure to this report.

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

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

- The financial statements of the company are with un-modified opinion.
- The Internal Auditors of the company are directly reporting to the Audit Committee.
- The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director. The Company reimburses the expenses incurred in performance of the Chairman's duties.



**14. As on 31st March, 2024, the company was in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.**

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

**16. The Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)**

Pursuant to Regulation 39 of the SEBI Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company prior to transferring to unclaimed suspense Account. Based on their response, such shares have been transferred to “unclaimed suspense account” as per the provisions of Schedule VI of the SEBI Listing Regulations. The disclosure as required under Schedule V of the SEBI Listing Regulations is given below:

**Disclosure with respect to unclaimed shares:**

S. No.	Description	No. of Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	2	3000
b	Number of shareholders who approached claiming shares against the above	0	0
c	Number of shareholders to whom shares were transferred against (a) above	0	0
d	Shares transferred to IEPF under Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	0	0
e	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	2	3000

The voting rights on the shares outstanding on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**17. Details of agreements that bind the company**

During the FY2024, the Company has entered into a Shareholders Agreement with AvH India on 29<sup>th</sup> January, 2024 after obtaining approval of shareholders at the EGM held on December 07, 2023. The information pursuant to Clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations is as follows:

1	name(s) of parties with whom the agreement is entered	Shareholders' agreement dated January 29, 2024 executed among the Company (Sagar Cements Limited), Promoters of the Company and AVH Resources India Private Limited (AvH India).
2	purpose of entering into the agreement	Recording the terms and rights of the AvH India in the Company.
3	shareholding, if any, in the entity with whom the agreement is executed	19.64%.



- |   |  |   |
|---|--|---|
| 4 | significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.  | <p>The following rights are granted to the Investor:</p> <p>(1) As long as the AvH India holds at least 5% of the shares of the Company, AvH India shall have a right to nominate 1 (one) non-executive Director on the Board of the Company, The nominee will be a member of the audit committee and the nomination and remuneration committee.</p> <p>(2) So long as the AvH India holds at least 3% of the shares of the Company, the AvH India will have a right to, in accordance with applicable law (a) review the risk, compliance, and internal processes in terms of the agreement; and (b) attend quarterly management review meetings of the Company to review the business performance of the Company.</p> <p>(3) So long as the AvH India holds at least 3% of shares of the Company, the Board cannot adopt any resolutions in relation to any amendment to the Articles that shall adversely affect the rights of the Investor.</p> <p>(4) The Promoters have a right to freely transfer up to 5% (five percent) Shares held by them in the Company to any third party. However, any transfer in excess of 5% (five percent) will require prior consent of the AvH India.</p> |
| 5 | whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship  | Not applicable  |
| 6 | whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"  | Not applicable  |
| 7 | in case of issuance of shares to the parties, details of issue price, class of shares issued   | Not applicable  |
| 8 | any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreement  | Not applicable  |
| 9 | in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):<br>a) name of parties to the agreement;<br>b) nature of the agreement;<br>c) date of execution of the agreement;<br>d) details of amendment and impact thereof or reasons of termination and impact thereof. | Not applicable  |
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## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Sagar Cements Limited,**  
(CIN: L26942TG1981PLC002887)  
Plot No.111, Road No.10, Jubilee Hills,  
Hyderabad, Telangana - 500033, India.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2024 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Anand Reddy Sammidi	00123870	21/11/2007
02	Sreekanth Reddy Sammidi	00123889	26/06/2008
03	John Eric Fernand Pascal Bertrand	06391176	17/10/2012
04	Rachana Sammidi	01590516	18/03/2015
05	Jens Van Nieuwenborgh (Alternate Director to John Eric Fernand Pascal Bertrand)	07638244	20/11/2018
06	Rekha Onteddu	07938776	30/06/2020
07	Sudha Rani Naga	09032212	20/01/2021
08	Madhavan Ganesan	01674529	11/05/2022
09	Kalidindi Venkata Vishnu Raju	00480361	20/07/2022
10	Rajagopal Ravichandran	00110930	27/03/2023



Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S S & Associates**  
**Company Secretaries**

**S. Srikanth**  
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337247

Peer Review No: 726/2020

Place: Hyderabad  
Date: 14<sup>th</sup> May, 2024



## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website.

I confirm that the company has in respect of the year ended March 31, 2024, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice-President and above cadre and the Company Secretary as on March 31, 2024.

Hyderabad  
14<sup>th</sup> May, 2024

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





## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
**Sagar Cements Limited,**  
(CIN: L26942TG1981PLC002887)  
Plot No.111, Road No.10, Jubilee Hills,  
Hyderabad, Telangana - 500033, India.

1. We have examined the compliance of the conditions of Corporate Governance by Sagar Cements Limited (the "Company") for the financial year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

### Management's responsibility

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

### Our responsibility

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

### Opinion

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2024.

**Other matters and restriction on use**

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **B S S & Associates**  
**Company Secretaries**

**S. Srikanth**  
**Partner**

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337258

Peer Review No: 726/2020

Place: Hyderabad

Date: 14<sup>th</sup> May, 2024