



## DIRECTORS' REPORT

### Dear Members

Your Directors are pleased to present their Forty Third Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended 31<sup>st</sup> March, 2024.

### Financial Results

This discussion on the financial performance and results of operations of your Company for the year ended 31<sup>st</sup> March, 2024, 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 Andhra Cements Limited.

(₹ in Lakhs)

Description	Stand-alone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	1,90,755	1,96,382	2,50,461	2,22,954
Other Income	5,391	22,658	5,412	22,270
<b>Total income</b>	<b>1,96,146</b>	<b>2,19,040</b>	<b>2,55,873</b>	<b>2,45,224</b>
Total expenses	1,72,485	1,81,533	2,25,870	2,07,636
Profit before Interest, Depreciation and Tax	23,661	37,507	30,003	37,588
Less: Finance Cost	7,509	15,972	18,483	20,164
Depreciation	11,651	11,355	21,411	15,577
Profit before tax	4,501	10,180	(8,412)	1,847
Total Tax	1,384	2,827	(3,207)	886
Profit after Tax	3,117	7,353	(5,205)	961
Other Comprehensive Income	(93)	14	(86)	15
Total Comprehensive Income	3,024	7,367	(5,291)	976
Basic & Diluted Earnings per share of ₹ 2 each	2.38	5.68	(3.98)	0.74

### Performance

During the year the Consolidated Revenue from Operations stood at ₹ 2,50,461 Lakhs, registering an increase by 12% as compared to previous year and EBITA stood at ₹ 24,591 Lakhs, registering an increase by 61% as compared to previous year. To avoid repetition in the Directors' Report, further details about other aspects of the performance

of the Company during the year 2023-24 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 and can be accessed at:

[https://sagarcements.in/wp-content/uploads/2020/08/Scl\\_Dividend-Distribution-Policy.pdf](https://sagarcements.in/wp-content/uploads/2020/08/Scl_Dividend-Distribution-Policy.pdf)

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.

### Transfer to reserves

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

### Share Capital

#### Authorised Share Capital:

The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its order dated 14<sup>th</sup> September 2023 approved the Scheme of Amalgamation of Jajpur Cements Private Limited ("Transferor Company"), a Wholly-owned Subsidiary with the Company. By virtue



of which, the authorised share capital of the Transferor Company (i.e. Equity Share Capital of ₹ 1,10,00,00,000/-) was merged with the authorised share capital of the Company w.e.f. the date of order as mentioned above.

Accordingly, the authorised share capital of the company increased from ₹ 1,82,50,00,000 to ₹ 2,92,50,00,000/- comprising of 1,24,75,00,000 Equity Shares of ₹ 2/- each and 4,30,00,000 Preference Shares of ₹ 10/- each as on 31<sup>st</sup> March, 2024.

#### **Paid-up Share Capital:**

As on 31<sup>st</sup> March, 2024, the paid-up share capital of the company was ₹ 26,14,15,096/- divided into 13,07,07,548 equity shares of ₹ 2/- each.

### **Utilisation of funds raised through issue of Equity Shares**

The sum of ₹ 3,50,00,00,220/- raised during the year 2022-23 through issue of Equity Shares on a preferential basis has been fully utilised for the purpose for which it was raised and there has been no deviation or variation in utilisation of this sum.

During the FY2024, no funds were raised through Rights Issue, Preferential issue etc. and hence there is no requirement to provide any explanation as required under Regulation 32(4) of the SEBI (LODR) Regulations, 2015.

### **Subsidiaries, Joint Ventures and Associate Companies**

The performance of your subsidiaries viz., M/s. Sagar Cements (M) Private Limited (formerly known as Satguru Cement Private Limited) and M/s. Andhra Cements Limited, both of which were acquired by your company, is satisfactory and on the expected lines.

With a view to achieving more synergy in the operations of your group as a whole, Jajpur Cements Private Limited (wholly owned subsidiary) has since been merged with

the holding company, Sagar Cements Limited vide order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 14<sup>th</sup> September 2023.

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.

Pursuant to the approval accorded by the Board on 26<sup>th</sup> February, 2024. Your Company has made an offer for sale (OFS) of 46,08,607 equity shares of face value of ₹ 10/- each through stock exchange mechanism equivalent to 5% of the total issued equity share capital of Andhra Cements Limited, a subsidiary company for achieving Minimum Public Shareholding by Andhra Cements Limited. Accordingly the shareholding in Andhra Cements Limited stands at 90%.

### **Performance of your Company's Plants**

Your Company's integrated cement plants located at Mattampally in Suryapet District, Telangana and at Gudipadu Village, Ananthapur District, Andhra Pradesh and the grinding unit located at Bayyavaram village, Visakhapatnam District, Andhra Pradesh and Kalinga Nagar Industrial Complex, Tehsil - Dangadi, Jajpur District, Odisha are doing well and the products generated in these units are catering to the major market in South India and parts of Odisha and its neighbouring States. Further details about the performance of these plants have been given elsewhere in the Integrated Report.

### **Future Outlook, Risk Management System and Internal Control and its adequacy**

Details relating to future outlook, risk management system and internal control and its adequacy have been given in detail in the Management Discussion and

Analysis Report, which is part of the Directors Report. The Company has an adequate Internal Financial Control System, commensurate with the size, scale and complexity of its operations.

The company has a suitable risk management policy to identify and mitigate risks. This Policy, inter-alia, includes identification of various elements of risk, including those which, in the opinion of the Board, may threaten the existence of the Company.

### **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 manufacturing units.

## 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.

Further your company has achieved following awards:

### Mattampally unit:

- was awarded with “Best Management Award” by Labour Department, Government of Telangana in May, 2023
- was awarded 2<sup>nd</sup> Prize in Mines Safety week by Mines Safety and Productivity Council in December, 2023
- was awarded Excellence on ESG Parameters Award by QCFI in January, 2024
- was awarded 3<sup>rd</sup> prize in the large mechanised mines by Mines Environment & Mineral Conservation Week 2023-24 in March, 2024

### Bayyavaram unit:

- was awarded National award for excellence in Energy Management in September, 2023
- has received QCFI Excellence Award in Energy, Health & Safety and Water
- has received Management Appreciation to the team leaders QCFI Excellence Award in Energy, Health and Safety and Water
- has received CII Safety Leadership Award for the year 2023

### Gudipadu unit:

- was awarded 24<sup>th</sup> National Award for the year 2023 for Energy Efficient Unit by CII in September, 2023
- has received Best performance award felicitated by Bureau of Indian Standards, Andhra Pradesh in January, 2024 for the products of OPC and PPC for Zero failures for the last three consecutive years
- was categorised as Excellent Unit for the 3<sup>rd</sup> Edition of National Awards from Quality Circle Forum of India, Hyderabad Chapter in the following modules:
  - a. Water Excellence
  - b. Bio-Diversity
  - c. Climate Change Mitigation
  - d. AFR Excellence
  - e. Environmental Excellence
  - f. Health and Safety Excellence
  - g. Productivity Excellence

## 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 judgements 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

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.

Further, Dr. S. Anand Reddy and Shri S. Sreekanth Reddy will be holding their current Office as Managing Director and Joint Managing Director respectively till 30<sup>th</sup> October, 2024 and your Board on the recommendation of its Nomination and Remuneration Committee has re-appointed these directors in their respective office. The resolutions seeking the approval of the members for the above said re-appointments have been incorporated in the notice of the annual general meeting of the company.

Excepting Mrs. S. Rachana, who was a director and major shareholder in 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.

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.

### 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 down 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 2023-24, six 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 annual 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.

### Change in the Nature of Business

There is no change in the nature of business of the Company

### Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S), who were re-appointed as Statutory

Auditors of the company by the Shareholders at their 39<sup>th</sup> Annual General Meeting held on 9<sup>th</sup> September 2020 for a second consecutive term of 5 years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 44<sup>th</sup> Annual General Meeting to be held in the year 2025, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

### Auditors' Report and Secretarial Auditors' Report

#### Auditors' Report

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

#### Secretarial Auditors' Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure-2**, which forms part of this report. The Secretarial Audit Report of Sagar Cements (M) Private Limited, a material subsidiary of the company is also given in the said Annexure.

The Secretarial Audit Reports does not contain any qualification, reservation, or adverse remarks.

#### 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 Accountants (FR No. 000042) have been appointed as Cost Auditors of the company for the year ending 31<sup>st</sup> March 2025. 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.

## Disclosure of Accounting Treatment

The applicable Accounting Standards as notified from time to time under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2016 issued by the Ministry of Corporate Affairs, have been followed in preparation of the financial statements of the company.

## 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 and obtained shareholders' approval as and when required.

During the year 2023-24 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](http://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](http://www.sagarcements.in).

## Cybersecurity Commitment and Initiatives

Your Company recognises the critical importance of safeguarding our information assets and systems from ever-evolving cyber threats. As a responsible corporate entity, we are committed to protecting the confidentiality, integrity, and availability of the data entrusted to us by our customers, partners, employees, and other stakeholders. To this end, we have voluntarily embarked on a comprehensive Cybersecurity programme aimed at identifying, assessing, and mitigating potential risks across our IT infrastructure and processes.

We have engaged experts in the field of Cybersecurity and an entity empaneled with the Indian Computer Emergency Response Team (CERT-In), to conduct an in-depth cybersecurity assessment of our organisation. This exercise, involved a thorough evaluation of our servers (including application, database, and report servers), endpoints, firewalls, network devices, and security practices against industry standards and best practices.

We have developed a time-bound plan to elevate our cybersecurity maturity to align with global standards and best practices. Implementation of high-priority initiatives, such as database activity monitoring and cybersecurity policy roll out, is already underway, with substantial completion of the remediation road-map targeted by end of FY2025.

As we progress on this multi-year journey, we will continue to assess and refine our cybersecurity strategies to stay ahead of emerging threats. Annual technical assessments, including VAPT exercises, will help validate our controls and identify new areas for improvement. We are also investing in the skills and resources needed to embed security as a core value and discipline across the organisation.



We firmly believe that a proactive and diligent approach to cybersecurity is essential to preserving the trust of our stakeholders and the resilience of our business in the digital era. Our voluntary engagement of external experts and adoption of industry best practices reaffirms SGC's commitment to upholding the highest standards of corporate governance and risk management.

We will keep our stakeholders updated on the progress of our cybersecurity initiatives through regular

disclosures. As always, we remain committed to fostering a secure and resilient operating environment and welcome any feedback or suggestions in this regard.

### Annual Return

Annual Return in Form MGT-7 is available on the company's website and the link for the same is <https://sagarcements.in/wp-content/uploads/2020/08/SCL-Annal-Return-2023-24.pdf>

### Particulars of Employees

The information required under Section 197 of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 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	65.60
Shri S. Sreekanth Reddy	60.04

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri K. V. Vishnu Raju, Independent Director	
Shri Ravichandran Rajagopal, Independent Director	
Mrs. O. Rekha, Independent Director	
Mrs. Sudha Rani Naga (APIDC Nominee Director)	
Shri John-Eric Bertrand, Non-Executive Director	These non-executive directors, were not paid any remuneration, other than the sitting fee.
Shri Jens Van Nieuwenborgh, Alternate director to Shri John-Eric Bertrand, Non-Executive Director	
Mrs. S. Rachana, Non-Executive Director	
Shri Madhavan Ganesan, Nominee Director	
Dr. S. Anand Reddy, Managing Director	
Shri S. Sreekanth Reddy, Joint Managing Director	(39.17)
Shri R. Soundararajan, Company Secretary	Retired from services with effect from 10 <sup>th</sup> November, 2023
Shri J. Raja Reddy, Company Secretary	Appointed with effect from 11 <sup>th</sup> November, 2023
Shri K. Prasad, Chief Financial Officer	19.95

- c. The percentage increase in the median remuneration of employees in the financial year: 3.97
- d. The number of permanent employees on the rolls of Company: 815
- e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 10.48%. The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.



- f. 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, 2024 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	208.55	Not listed	-
Market Price in BSE	208.30	45.00	363.44%

\* Face value of ₹ 2/- each

\*\*Face value of ₹ 10/- each

- 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 directors and 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](http://www.sagarcements.in).

### Deposits from public

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

### Disclosure on Donations to Political Party

The company had donated an amount of ₹ 250 Lakhs in the form of electoral bonds during the FY2024.

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

There were no 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.



## Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed and unpaid dividend of ₹ 13,75,190/- to IEPF. Further 47,058 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed/unpaid dividends lying in the unpaid dividend account up to the year, and the corresponding equity shares, which are liable to be transferred, are available on our website, at <https://sagarcements.in/investors/dividend>.

## Details of difference in valuation

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, a Business Responsibility and Sustainability Report is given in **Annexure-I**.

## Other Disclosures

Your Directors state that no disclosure or reporting is required in respect of the following items, during the period under review:

- a. There was no issue of equity shares with differential voting rights as to dividend, voting or otherwise etc.
- b. There was no issue of shares (including sweat equity shares) to the employees of the Company under any Scheme.
- c. No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.
- d. There was no instance of one time settlement with any bank or financial institution.
- e. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of the subsidiary companies.

## Acknowledgement

Your Directors also 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. Your Directors thank the Distributors, Dealers, Consignment Agents, suppliers and other business associates of your Company for their continued support. Your Board also takes this opportunity to place on record its appreciation of the contributions made by the employees of company at all levels and last but not least, of the continued confidence reposed by you in the Management.

For and on behalf of the Board of Directors

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

**Dr. S. Anand Reddy**  
Managing Director  
DIN: 00123870

**S. Sreekanth Reddy**  
Joint Managing Director  
DIN: 00123889





## 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	ANDHRA CEMENTS LIMITED
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	9,217
5.	Reserves & surplus	8,132	20,464
6.	Total Assets	60,291	1,07,966
7.	Total Equity and Liabilities	60,291	1,07,966
8.	Investments	0	0
9.	Turnover	39,177	26,811
10.	Profit/(Loss) before tax	(1,931)	(10,689)
11.	Provision for tax	(463)	(4,128)
12.	Profit/(Loss) after tax	(1,468)	(6,561)
13.	Proposed Dividend	0	0
14.	% of shareholding	65%	90%

## 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**



## 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	
1 Latest audited Balance Sheet Date	Nil
2 Shares of Associate/Joint Ventures held by the company on the year end 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

1. Names of associates or joint ventures which are yet to commence operations: Nil

2. 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

Place: Hyderabad

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

**K. Prasad**

Chief Financial Officer

**J. Raja Reddy**

Company Secretary

M.No.A31113



## ANNEXURE-2

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

For the Financial Year ended on March 31, 2024  
[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,**  
(CIN: L26942TG1981PLC002887)  
Plot No.111, Road No.10, Jubilee Hills,  
Hyderabad, Telangana - 500033, India.

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 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-

mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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 - Not applicable to the Company during the audit period;
- (d) The 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 Non-Convertible Securities) Regulations, 2021 - 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, 2021 - Not applicable to the Company during the audit period; and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - 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) Equal Remuneration Act, 1976;
- (x) Factories Act, 1948;
- (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- (xii) Maternity Benefits Act, 1961;
- (xiii) Minimum Wages Act, 1948;
- (xiv) Negotiable Instruments Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xviii) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
  - (a) Cement Cess Rules, 1993;
  - (b) Cement (Quality Control) Order, 2003;

- (c) Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
- (d) The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
- (e) The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- (f) Water (Prevention & Control of Pollution) Cess Act, 1977;
- (g) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- (h) The Noise Pollution (Regulation And Control) Rules, 2000;
- (i) Mines Act, 1952 and Rules issued thereunder;
- (j) Mines and Mineral (Regulation and Development) Act, 1957;
- (k) The Electricity Act, 2003;
- (l) National Tariff Policy;
- (m) Essential Commodities Act, 1955;
- (n) Explosives Act, 1884; and
- (o) 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 was no change in the composition of the Board of Directors.

We further report that adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, 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 event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The Hon'ble NCLT, Hyderabad Bench, vide its order dt. 14/09/2023, approved the amalgamation of Jajpur Cements Private Limited with the Company.

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

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

**S. Srikanth**  
Partner

ACS No.: 22119  
C.P. No.: 7999  
UDIN: A022119F000337148  
Peer Review No: 726/2020

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

**ANNEXURE-A**

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

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: A022119F000337148

Peer Review No: 726/2020

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



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

For the Financial Year ended on March 31, 2024

[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 (M) Private Limited,**

(Formerly known as 'Satguru Cement Private Limited')  
602/A and 602/B, Airen Heights, PU-3, Scheme No.54,  
Opp.C-21 Mall, A.B.Road, Indore, Madhya  
Pradesh-452001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sagar Cements (M) Private 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 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- |                                                                                                                                                                                                     |                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) The Companies Act, 2013 (the Act) and the rules made thereunder;                                                                                                                                | Equity) Regulations, 2021 - Not applicable to the Company during the audit period;                                                                                                                                               |
| (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;                                                                                                        | (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period;                                                      |
| (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;                                                                                                                | (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; |
| (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. | (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and                                                                       |
| (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):                                                                    | (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period;                                                                                |
| (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable to the Company during the audit period;                         | (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;                                                                                                                                                        |
| (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - Not applicable to the Company during the audit period;                                          | (vii) Employees State Insurance Act, 1948;                                                                                                                                                                                       |
| (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period;                            | (viii) Employers Liability Act, 1938;                                                                                                                                                                                            |
| (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat                                                                                                             | (ix) Equal Remuneration Act, 1976;                                                                                                                                                                                               |
|                                                                                                                                                                                                     | (x) Factories Act, 1948;                                                                                                                                                                                                         |
|                                                                                                                                                                                                     | (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;                                                                                                                                            |



- (xii) Maternity Benefits Act, 1961;
- (xiii) Minimum Wages Act, 1948;
- (xvi) Negotiable Instruments Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xviii) 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;
  - (ii) Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
  - (iii) The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
  - (iv) The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
  - (v) Water (Prevention & Control of Pollution) Cess Act, 1977;
  - (vi) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
  - (vii) The Noise Pollution (Regulation And Control) Rules, 2000;
  - (viii) Mines Act, 1952 and Rules issued thereunder;
  - (ix) Mines and Mineral (Regulation and Development) Act, 1957;
  - (x) Essential Commodities Act, 1955;
  - (xi) Explosives Act, 1884; and
  - (xii) 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 - Not applicable to the Company during the audit period;

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 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 notices were given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors/Committee Members. Meetings held at shorter notice are in

compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications 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 there was no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

**S. Srikanth**  
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000362074

Peer Review No: 726/2020

Place: Hyderabad

Date: 14.05.2024

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



**ANNEXURE-A**

To,  
The Members,

**Sagar Cements (M) Private Limited,**

(Formerly known as 'Satguru Cement Private Limited')

602/A and 602/B, Airen Heights, PU-3, Scheme No.54,  
Opp.C-21 Mall, A.B.Road, Indore, Madhya Pradesh-452001.

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

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

ACS No.: 22119  
C.P. No.: 7999  
UDIN: A022119F000362074  
Peer Review No: 726/2020



## Annual Secretarial Compliance Report of Sagar Cements Limited for the year ended March 31, 2024

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

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

- (a) all the documents and records made available to us and explanation provided by Sagar Cements 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 31, 2024 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the Review Period;
- (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 and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;



We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
1.	<p><b>Secretarial Standard:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p>	Yes	Nil
2.	<p><b>Adoption and timely updation of the Policies:</b></p> <ul style="list-style-type: none"> <li>– All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>– All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations / circulars / guidelines issued by SEBI</li> </ul>	Yes	Nil
3.	<p><b>Maintenance and disclosures on Website:</b></p> <ul style="list-style-type: none"> <li>– The Listed entity is maintaining a functional website</li> <li>– Timely dissemination of the documents/ information under a separate section on the website</li> <li>– Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	Yes	Nil
4.	<p><b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	Nil
5.	<p><b>To examine details related to Subsidiaries of listed entities:</b></p> <ul style="list-style-type: none"> <li>– Identification of material subsidiary companies</li> <li>– Requirements with respect to disclosure of material as well as other subsidiaries</li> </ul>	Yes	Nil
6.	<p><b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015</p>	Yes	Nil
7.	<p><b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	Yes	Nil
8.	<p><b>Related Party Transactions:</b></p> <ul style="list-style-type: none"> <li>– The listed entity has obtained prior approval of Audit Committee for all Related party transactions</li> <li>– In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.</li> </ul>	Yes	Nil
9.	<p><b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes	Nil



Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	Nil
12.	<b>Additional Non-compliances, if any:</b> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
<b>1.</b>	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
a.	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	NA
b.	If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	NA
c.	If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	NA
<b>2.</b>	<b>Other conditions relating to resignation of statutory auditor</b>		
i.	Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
a.	In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	NA
b.	In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	NA
c.	The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	NA
ii.)	Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	NA
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	NA

\*No resignation of Statutory Auditor during the Review Period.



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

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation / Fine amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Nil									

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Composition of the Audit and Nomination & Remuneration Committees	Regulation 18(1)(b) & 19(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	Committees did not have minimum number of Independent Directors (2/3rd of its total strength).	Notice was received from BSE for non-compliance w.r.t. Audit Committee	Nil	Composition of Audit Committees were not in compliance with the respective regulations	Nil	The Company rectified this lapse in the next quarter	The Board of Directors has reconstituted both the committees.	No further Comments

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

**S. Srikanth**  
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119F000337271

Peer Review No: 726/2020

Place: Hyderabad

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

**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 FY2024.
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 FY2024.

On behalf of the Board of Directors

**Dr. S. Anand Reddy**  
Managing Director  
DIN: 00123870

**S. Sreekanth Reddy**  
Joint Managing Director  
DIN: 00123889

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



## ANNEXURE-4

## 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 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. V. Vishnu Raju	Chairman	1	1
2	Dr. S. Anand Reddy	Member	1	1
3	Shri S. Sreekanth Reddy	Member	1	1
4	Mrs. S. Rachana	Member	1	1

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

Composition of CSR Committee: <https://sagarcements.in/investors/board-committees>

CSR Policy: [https://sagarcements.in/wp-content/uploads/2020/08/ScI\\_CSR-Policy\\_21.5.2015.pdf](https://sagarcements.in/wp-content/uploads/2020/08/ScI_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. (a) Average net profit of the company as per Section 135(5): ₹ 13624.98 Lakhs.  
 (b) Two percent of average net profit of the company as per Section 135(5): ₹ 272.50 Lakhs.  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (d) Amount required to be set off for the financial year, if any: ₹ 4.72 Lakhs  
 (e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 267.78 Lakhs
6. (a) 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				





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		30,87,484	Direct		
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		1,74,32,923	Direct		Not Applicable
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		7,30,540	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		77,59,666	Direct		
<b>Total</b>						<b>2,90,10,613</b>			

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 2,90,10,613/-

(e) 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
290.11	0	Not applicable	Not applicable	0	Not applicable



(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)	
(i)	Two percent of average net profit of the company as per Section 135(5)		272.50
(ii)	(a) Total amount spent for the Financial Year	290.11	
	(b) Excess amount spent for the Previous Financial Year	4.72	294.83
(iii)	Excess amount spent for the financial year [(ii)-(i)]		22.33
(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)]		22.33

7. (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 ₹)	Balance amount in unspent CSR account under Sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹).	Date of transfer.		
- Nil -									

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

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

**Dr. S. Anand Reddy**

Managing Director

DIN: 00123870

**K. V. Vishnu Raju**

Chairman, Corporate Social Responsibility Committee

DIN: 00480361

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



## 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	K.Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	59 years	52 years	61 years
Remuneration received (₹)	3,15,00,000	2,83,50,000	1,22,96,856
Commission received (₹)	56,50,000	56,50,000	-
Nature of employment	Contractual	Contractual	Contractual
Nature of duties	General Management	General Management	General management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology	Diploma in Mechanical Engineering
Overall Experience (Years)	33	28	38
Date of Commencement of Employment	23.11.1991	26.06.2003	24.02.1992
Percentage of Equity Shares held	5.59% (7304745 shares)	5.33% (6969140 shares)	0.00% (2000 shares)
Last Employment held	Nil	Nil	Nil

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

On behalf of the Board of Directors

Hyderabad

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

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

DIN: 00123870

**S. Sreekanth Reddy**  
Joint Managing Director

DIN: 00123889



## ANNEXURE-6

### 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 to the tune of 12%.
2. Modernisation of Preheater for Kiln No.2 for fuel reduction and also to increase the AFR utilisation.

#### 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 shed for Limestone stacker and reclaimer, coal and additive storage.
2. Installation of AFR mechanical feeding system to increase the AFR material from 10% to 15%.
3. Modernisation of kiln no. 2 preheater to reduce the fuel consumption from 730 Kcal to 705 Kcal/kg of clinker and also to increase the AFR utilisation.

#### 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.

(₹ in Lakhs)

S. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Outgo	10,785.19	8,014.42
2	Inflow	Nil	Nil

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

**Dr. S. Anand Reddy**  
Managing Director  
DIN: 00123870

On behalf of the Board of Directors

**S. Sreekanth Reddy**  
Joint Managing Director  
DIN: 00123889