



DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present their Forty Fourth Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended March 31, 2025.

Financial Results

This discussion on the financial performance and results of operations of your Company for the year ended March 31, 2025, 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	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	1,56,664	1,90,755	2,25,764	2,50,461
Other Income	2,663	5,391	2,143	5,412
Total income	1,59,327	1,96,146	2,27,907	255,873
Total expenses	1,50,970	1,72,485	2,11,655	2,25,870
Profit before Interest, Depreciation and Tax	8,357	23,661	16,252	30,003
Less: Finance Cost	8,149	7,509	18,813	18,483
Depreciation	11,942	11,651	23,075	21,411
Profit before exceptional items and tax	(11,734)	4,501	(25,636)	(9,891)
Exceptional items	2,091	-	2,717	(1,479)
Profit before tax	(13,825)	4,501	(28,353)	(8,412)
Total Tax	(5,277)	1,384	(6,685)	(3,207)
Profit after Tax	(8,548)	3,117	(21,668)	(5,205)
Other Comprehensive Income	72	(93)	47	(86)
Total Comprehensive Income	(8,476)	3,024	(21,621)	(5,291)
Basic & Diluted Earnings per share of ₹2 each	(6.54)	2.38	(16.58)	(3.98)

Performance

During the year the Consolidated Revenue from Operations stood at ₹2,25,764 Lakhs, registering a decline by 10% as compared to previous year and Profit before Interest, Depreciation and Tax stood at ₹16,252 Lakhs, registering a decline by 46% 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 2024-25 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

Considering the losses incurred by the company, no dividend is proposed for the year.

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.



DIRECTORS' REPORT

Share Capital

Authorised Share Capital:

The authorised share capital of the company is ₹292,50,00,000/- comprising of 124,75,00,000 Equity Shares of ₹2/- each and 4,30,00,000 Preference Shares of ₹10/- each as on March 31, 2025.

Paid-up Share Capital:

As on March 31, 2025, the paid-up share capital of the company was ₹26,14,15,096/- divided into 13,07,07,548 equity shares of ₹2/- each and there were no changes in the share capital of your company during the year under report.

Utilisation of funds raised through issue of Equity Shares

The sum of ₹350,00,00,220/- 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 FY 2025, 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 and M/s.Andhra Cements Limited, both of which were acquired by your company, is satisfactory and on the expected lines.

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.

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:

Bayyavaram unit:

- ◆ was awarded Excellent Energy Efficient unit & Most Innovative Project award for the year 2024 from CII.
- ◆ has received 24th CCQC Gold award from QCFI Visakhapatnam chapter on September 19, & 20, 2024.
- ◆ has received Bureau of Indian Standards Certificate of Appreciation on September 24, 2024.



DIRECTORS' REPORT

- ◆ has received Appreciation certificate from district collector, Anakapalle.
- ◆ have won the GreenCo Platinum award (Environmental and Safety Parameters) By CII in March 2025.
- ◆ have won the "SILVER" for the Industrial Safety Leadership Award (Category-2). By CII.

Gudipadu unit:

- ◆ was awarded best Presentation award from Society for Occupational Health & Safety (SOHS), A.P.
- ◆ has received Excellence in Innovation Silver Award from American Society of Safety Professionals at IIT Madras.
- ◆ has received Letter of Appreciation from District Fire Officer, Anantapur, Certificate of appreciation from BIS-Tirupathi and National Safety Council of India at Safety Awards-2024.
- ◆ has received 1st prize in Group-B2 Mines Safety week-2024, Hyderabad and different prizes on 30th Mines Environment & Mineral Conservation Week-2024-25 under Aegis of Indian bureau of Mines.
- ◆ have achieved 15 Million safe man hours after acquisition of Gudipadu Unit by Sagar Cements Limited.

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 loss 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, Shri. S.Sreekanth Reddy and Smt. S. Rachana 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.

Shri. John Eric Fernand Pascal Bertrand has tendered his resignation as Non-Executive Director of the company with effect from October 21, 2024.

Pursuant to the shareholders agreement executed between the company and AvH Resources India Private Limited and on the recommendation made by the Nomination and Remuneration committee. Shri. Jens Van Nieuwenborgh has been appointed as nominee director of AvH Resources India Private Limited on the Board of the company with effect from September 18, 2024 which was later approved by the shareholders through postal Ballot on November 28, 2024.

Your Board, pursuant to the recommendation made by its Nomination and Remuneration Committee, and taken in to account her vast experience in the area of finance, skills, knowledge and the substantial contribution made during her tenure has recommended the appointment of Smt. Onteddu Rekha as an Independent Director to hold office for a second term of five years with effect from June 30, 2025. The resolution seeking the approval of the members for the above said re-appointment have been incorporated in the notice of the annual general meeting of the company.

Excepting Smt. 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.

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.



DIRECTORS' REPORT

Number of meetings of the board

During the year 2024-25, 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.

Auditor's

The term of the present Auditor's, Deloitte Haskins & Sells will be concluding at the ensuing Annual General Meeting. Pursuant to the recommendations made by the audit committee, the board has recommended the appointment of M/s. B S R and Co, Chartered Accountants (Firm Registration No. 128510W), as statutory Auditor's for a term of five years for the conclusion of the 44th Annual General Meeting till the conclusion of the 49th Annual General Meeting to be held in the year 2030. The resolution seeking the approval of the members for the above said appointment have been incorporated in the notice of the annual general meeting of the company.

Auditor's Report and Secretarial Auditor's Report

Auditor's Report

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

Secretarial Auditor's

M/s. B S S & Associates, practicing Company Secretaries (Firm Registration No. 3744) have been recommended as Secretarial Auditor of the Company from the conclusion of the 44th Annual General Meeting of the Company till the conclusion of the 49th Annual General Meeting to be held in the year 2030. A resolution seeking shareholders' approval has been included in the notice of the AGM.

Secretarial Auditor's Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditor's, 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 Report 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 have been made and maintained.

Cost Auditor's

M/s. Narasimha Murthy & Co., Cost Accountants (FR No.000042) have been appointed as Cost Auditor's of the company for the year ending 31st March 2026. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditor's has been included in the notice of the AGM.

The reports submitted by the Cost Auditor's are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

No frauds were reported by the Auditor's 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.



DIRECTORS' REPORT

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 obtained shareholders' approval as and when required.

During the year 2024-25 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 (<https://sagarcements.in/wp-content/uploads/2020/08/Policy-on-Related-Party-Transactions.pdf>).

Corporate Social Responsibility

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiatives 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, https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf.

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.

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 web site and the link for the same is https://sagarcements.in/wp-content/uploads/2020/08/SCL-Form_MGT_7-31.03.2025-1.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	70.18
Shri. S. Sreekanth Reddy	63.16



DIRECTORS' REPORT

- 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	These non-executive directors, were not paid any remuneration, other than the sitting fee.	
Shri. Ravichandran Rajagopal, Independent Director		
Mrs. O. Rekha, Non-Executive Director		
Mrs. Sudha Rani Naga (APIDC Nominee Director)		
Shri. John-Eric Bertrand, Non-Executive Director (up to October 21, 2024)		
Shri. Jens Van Nieuwenborgh, Nominee Director (w.e.f. September 18, 2024)		
Mrs. S. Rachana, Non-Executive Director		
Shri. Madhavan Ganesan, Nominee Director		
Dr. S. Anand Reddy, Managing Director		14.94
Shri. S. Sreekanth Reddy, Joint Managing Director		13.03
Shri. J. Raja Reddy, Company Secretary		8
Shri. K. Prasad, Chief Financial Officer	8	

- c. The percentage increase in the median remuneration of employees in the financial year: 7.44
- d. The number of permanent employees on the rolls of Company: 798
- e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 8%. 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, 2025 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	179.86	Not listed	-
Market Price in BSE	179.55	45.00	1895%

* 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 https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf.

Deposits from public

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

Disclosure on Donations to Political Party

The company had not donated any amount to political party during the FY 2025.

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.



DIRECTORS' REPORT

Sub Committees of the Board

The Board has Audit Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management and ESG 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 ₹11,62,860/-. Further 97,080 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 provided in the Shareholder information section of the corporate governance report and are also 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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Srekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

ANNEXURE – 1

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

S. No.	Particulars	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED (SCMPL)	ANDHRA CEMENTS LIMITED (ACL)
2.	The date since when subsidiary was acquired	May 09, 2019	March 07, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
4.	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 (₹)
5.	Share Capital	504	9,217
6.	Reserves & surplus	10,499	5,238
7.	Total Assets	57,875	1,14,441
8.	Total Equity and Liabilities	57,875	1,14,441
9.	Investments	0	0
10.	Turnover	45,378	27,405
11.	Profit/(Loss) before tax	3,209	(17,451)
12.	Provision for tax	832	(2,240)
13.	Profit/(Loss) after tax	2,377	(15,211)
14.	Proposed Dividend	0	0
15.	% 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



DIRECTORS' REPORT

Part "B": Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

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

Name of Associates/Joint Ventures	Nil
1 Latest audited Balance Sheet Date	Nil
2 Date on which the Associate or Joint Venture was associated or acquired	Nil
3 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
4 Description of how there is significant influence	Nil
5 Reason why the associate/joint venture is not consolidated	Nil
6 Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
7 Profit/Loss for the year	Nil
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	Nil

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Srekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025

K. Prasad
Chief Financial Officer

J. Raja Reddy
Company Secretary
M.No.A31113



DIRECTORS' REPORT

ANNEXURE – 2

Form No. MR-3 Secretarial Audit Report

For the Financial Year ended on March 31, 2025

[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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, 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, 2025 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;



DIRECTORS' REPORT

- (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 authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads/Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 the Company has not incurred any specific event/action that can have major bearing on the Company's affairs in pursuance of 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

Place: Hyderabad
Date: May 12, 2025

UDIN: A022119G000373492
Peer Review No: 6513/2025

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.



DIRECTORS' 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 & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119G000373492

Peer Review No: 6513/2025

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

Form No. MR-3 Secretarial Audit Report

For the Financial Year ended on March 31, 2025

[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')
A-517, 5th Floor Gold Plaza, Apollo DB City, Indore G.P.O.,
Indore, Madhya Pradesh, India – 452010.

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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, 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, 2025 according to the provisions of:

- | | |
|---|--|
| (i) The Companies Act, 2013 (the Act) and the rules made thereunder; | 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 Equity) | (ix) Equal Remuneration Act, 1976; |
| | (x) Factories Act, 1948; |
| | (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003; |



DIRECTORS' REPORT

- (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:
 - i. Cement Cess Rules, 1993;
 - ii. Cement (Quality Control) Order, 1995;
 - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
 - iv. The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
 - v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 - vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
 - vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
 - viii. The Noise Pollution (Regulation And Control) Rules, 2000;
 - ix. Mines Act, 1952 and Rules issued thereunder;
 - x. Mines and Mineral (Regulation and Development) Act, 1957;
 - xi. Essential Commodities Act, 1955;

- xii. Explosives Act, 1884; and
- xiii. Indian Boilers Act, 1923.

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

- (iii) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (iv) 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 authorized 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

Place: Hyderabad

Date: May 12, 2025

UDIN: A022119G000394172

Peer Review No: 6513/2025

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.



DIRECTORS' REPORT

ANNEXURE – A

To
The Members,
Sagar Cements (M) Private Limited,
(Formerly known as 'Satguru Cement Private Limited')
A-517, 5th Floor Gold Plaza, Apollo DB City, Indore G.P.O.,
Indore, Madhya Pradesh, India - 452010.

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 & Associates**
Company Secretaries

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119G000394172

Peer Review No: 6513/2025

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

Annual Secretarial Compliance Report of Sagar Cements Limited for the year ended March 31, 2025

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, 2025 ("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;

and based on the above examination, I/We hereby report that, during the Review Period:



DIRECTORS' REPORT

(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.	Observations/Remarks of the Practicing Company Secretary (PCS) in the previous reports)	Observations made in the Secretarial Compliance report for the year ended (The years are to be mentioned)	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Details of violation/Deviations and actions taken/penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
NA						

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.	Secretarial Standard: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	Nil
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI 	Yes	Nil
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/information under a separate section on the website 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 	Yes	Nil
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	Nil
5.	To examine details related to Subsidiaries of listed entities: <ul style="list-style-type: none"> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries 	Yes	Nil
6.	Preservation of Documents: 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	Yes	Nil
7.	Performance Evaluation: 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	Yes	Nil
8.	Related Party Transactions: <ul style="list-style-type: none"> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) 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. 	Yes NA	Nil There were no such transactions during the review period.



DIRECTORS' REPORT

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS
9.	Disclosure of events or information: 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.	Yes	Nil
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11.	Actions taken by SEBI or Stock Exchange(s), if any: 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.	Resignation of statutory auditor's from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	There were no such transactions during the review period.
13.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	No additional non-compliance observed for all SEBI regulation/circular/guidance note etc.

We further, report that the listed entity is in compliance/not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations. – NA

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

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

S. Srikanth
Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: A022119G000373558

Peer Review No: 6513/2025

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

ANNEXURE – 3

Form No. AOC-2

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

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

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

Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2024-25.

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

There were no material contracts or arrangements or transactions with related parties during the financial year 2024-25.

On behalf of the Board of Directors'

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Srekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

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.	Smt. S. Rachana	Member	1	1

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

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

CSR Policy and CSR Projects: https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Other-Corporate-Policies.pdf



DIRECTORS' REPORT

4. Provide executive summary along with weblink(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable
5. (a) Average net profit of the company as per Section 135(5): ₹4,804.77 Lakhs
 (b) Two percent of average net profit of the company as per Section 135(5): ₹96.10 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: ₹22.33 Lakhs
 (d) Total CSR obligation for the financial year (5b+5c-5d): ₹73.77 Lakhs
6. (a) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) 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) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) 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 Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		63,41,883	Yes	Not Applicable	
2.	Training and education	Promotion of Education and infrastructure for it	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		1,41,09,519	Yes		
3.	Training and promotion of sports	Organising sports events and sponsor of sports personnel	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		10,000	Yes		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Suryapet District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		39,51,071	Yes		
Total						2,44,12,473			

- (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): ₹2,44,12,473/-



DIRECTORS' REPORT

(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
244.12	0	Not applicable	Not applicable	0	Not applicable

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per Section 135(5)	96.10
(ii)	(a) Total amount spent for the Financial Year	244.12
	(b) Excess amount spent for the Previous Financial Year	22.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	170.35
(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)]	170.35

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

Place: Hyderabad
Date: May 12, 2025

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

K. V. Vishnu Raju
Chairman, Corporate Social Responsibility Committee
DIN: 00480361



DIRECTORS' REPORT

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*	Shri. K. Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	60 years	53 years	62 years
Remuneration received (₹)	4,26,98,822	3,84,28,939	1,45,57,572
Commission received (₹)	-	-	-
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)	34	29	39
Date of Commencement of Employment	November 23, 1991	June 26, 2008	February 24, 1992
Percentage of Equity Shares held	5.59% (73,04,745 shares)	5.35% (69,92,681 shares)	0.001% (2,000 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'

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025



DIRECTORS' REPORT

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

To improve material handling efficiency and ensure protection from weather-related disruptions, a dedicated shed is being constructed to cover the limestone stacker & reclaiming system, as well as coal and additive storage areas.

This infrastructure enhancement aims to:

- ◆ Minimise material loss and contamination due to wind and rain
- ◆ Enhance environmental compliance by controlling fugitive dust emissions
- ◆ Improve operational reliability and reduce maintenance requirements
- ◆ Ensure uninterrupted feeding of raw materials to the plant

Optimisation of Plant Capacity

As part of our sustainability and cost optimisation initiatives, a mechanical feeding system for Alternative Fuels and Raw materials (AFR) has been installed including AFR shed. This system is designed to increase AFR usage from the existing 10% to 15% of total thermal substitution.

Key Benefits of the AFR Mechanical Feeding System:

- ◆ Enhanced feeding accuracy and consistency
- ◆ Improved thermal substitution rate (TSR) leading to reduced fossil fuel consumption
- ◆ Support for environmental compliance and waste co-processing targets
- ◆ Increased operational flexibility in handling a wider variety of AFR materials

Research and Development

Pre-heater modification from 12.95 m level to 53.65 m level was successfully carried out during the planned shutdown period. This significant upgrade was accomplished within the designated timeframe. Here are the notable observations following this crucial modification:

Key Modifications Executed:

- ◆ Kiln Length Increased: Enhanced heat exchange and improved process stability.
- ◆ Kiln Inlet Housing Modified: Optimised flow dynamics and improved durability.
- ◆ Kiln Riser Duct Modified: Facilitated smoother gas flow and reduced pressure drop.

- ◆ Pre calciner Modified: Improved combustion efficiency and enhanced fuel flexibility.

Post-Modification Observations:

- ◆ Reduction in preheater pressure drop by approximately 100 mmWg
- ◆ Specific fuel consumption reduced from 730 kcal/kg to 705 kcal/kg of clinker
- ◆ Production throughput improved, indicating better thermal efficiency
- ◆ Water spray system at cooler exit no longer required, due to optimised gas temperature control

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 March 31, 2025	For the year ended March 31, 2024
1.	Outgo	15,061.90	10,785.19
2.	Inflow	Nil	Nil

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: May 12, 2025