

Responsibly shaping a sustainable tomorrow

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Dear Shareholders,

FY 2026 was a challenging year for the cement industry, marked by uneven demand conditions and continued pressure on input costs. At Sagar Cements, we remained focused on strengthening our core operations and steadily building resilience across the business. Our efforts during the year were directed towards improving plant efficiency, streamlining operations and bringing greater consistency across our manufacturing footprint.

As the year unfolded, we maintained a sharp focus on execution discipline across all levels of the organisation. Targeted improvements in plant performance, logistics and energy use helped enhance operational efficiency and improve responsiveness to changing market conditions.

These actions have strengthened the foundation of the business and reinforced our ability to navigate cycles while continuing to build long-term value.

S. Sreekanth Reddy

JMD

Dr. S. Anand Reddy

MD



PERFORMANCE OVERVIEW

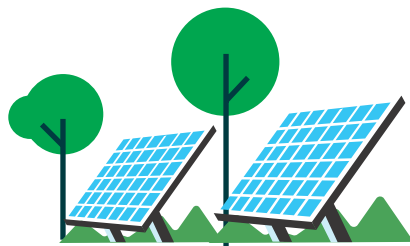
During the year, our consolidated revenue totalled ₹2,650 crores, while cement sales volumes reached 6.10 MT. EBITDA for the year stood at ₹292 crores, translating into an EBITDA per tonne of ₹479, PAT at ₹(0.73) crores. This performance underscores the resilience of our business model and the steady improvements in operational effectiveness. Capacity utilisation during the year stood at 60% at consolidated level, 5.78% increase since last year, reflecting stable operations across plants and disciplined execution.

Several initiatives were undertaken to improve manufacturing efficiency and strengthen plant productivity. At the Dachepalli plant, the commissioning of new generation a six-stage preheater has enhanced clinker production by 0.46 MTPA and improved the plant's thermal energy performance.

The successful completion of this project reflects the Company's focus on adopting modern technologies for improving operational capabilities.

Our commitment to a lower-carbon future remains central to our strategy. We are gradually increasing the use of renewable energy across our cement plants to reduce dependence on conventional, emission-intensive power sources.

Our commitment to a decarbonised future remains a core pillar of our operational strategy. We are consistently developing renewable energy sources on our cement plants to reduce our dependence on GHG electricity sources that generate GHG emissions. This year, we expanded our renewable energy portfolio further by commissioning another 6 MW solar power plant at Dachepalli Integrated Cement Plant. With this our total solar capacity has been increased to 36 MW. In addition, construction is underway for a 4.35 MW Waste Heat Recovery System (WHRS) at the Gudipadu plant and we are evaluating solar power options across all remaining plants.



Infrastructure for alternative fuel utilisation is also being developed at the Jeerabad plant. These initiatives support our long-term objective of increasing the share of alternative fuel in our energy mix while ensuring energy efficiency.

ADVANCING THE ESG ROADMAP

In a capital- and resource-intensive industry such as cement, sustainability is central to long-term competitiveness and operational resilience. During the year, we advanced our efforts across energy transition, resource efficiency and responsible manufacturing to strengthen our ESG framework.

We also enhanced ESG transparency through improved sustainability disclosures, value chain emissions assessments and external assurance processes.

PEOPLE AND COMMUNITY ENGAGEMENT

We prioritise our people and their holistic well-being. Safety remains non-negotiable, and continuous training and skill-development programmes across our plants create a supportive and enabling environment where employees can grow professionally and personally.

Our community development programmes are aimed at making a positive difference in the lives of those who reside in and around the areas where we operate. Through focused efforts in education, healthcare and rural

development, we seek to support more inclusive growth.

We also offer merit-based scholarships to students, empowering them to realise their dreams and shape a brighter future for themselves and their families.

BUILDING A SUSTAINABLE FUTURE

India's infrastructure boom and rapid urbanisation continue to unlock long-term tailwinds for the cement industry. Supported by ongoing investments in capacity expansion, operational efficiency and sustainability initiatives, we are well-positioned to contribute to - and grow with - the country.

As we strengthen operational resilience and drive responsible growth, disciplined execution and continuous innovation remain central to our approach, helping us build a stronger foundation for the future.

We remain grateful to all our stakeholders, partners and people for placing their faith in our capabilities. Together, we are poised to expand our horizons and participate meaningfully in the opportunities this growth phase is ushering in.

Best regards,

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director