SAGAR CEMENTS (R) LIMITED

(A wholly owned subsidiary of SAGAR CEMENTS LIMITED)

Date: 06.11.2021

To,
The Team Leader,
IDBI Trusteeship Services Ltd.,
Asian Building, Ground Floor,
17, R.Kamani Marg,
Ballard Estate, Mumbai -400 001.

Dear Sir,

Half-Yearly Report for the Half year ended 30th September 2021

In compliance with the SEBI (Debenture Trustee) Regulations, 1993 as amended from time to time, Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, we submit below the required information for your needful.

<table>
<tr><th></th><th>Particulars</th><th>Furnished (Yes/No)</th></tr>
<tr><td>1.</td><td>Credit Rating and change in credit rating (if any)
Letter from Credit Rating Agency along with rationale for revision (if any)</td><td rowspan="2">Changed to IND A from IND A- on June 10,2021</td></tr>
<tr><td></td><td><table><tr><td>Issue size</td><td>Name(s) of Rating Agency</td><td>Rating</td></tr><tr><td>Rs.150 Cr</td><td>India Rating and Research Private Limited</td><td>IND A</td></tr></table></td></tr>
<tr><td>2.</td><td>Certificate of confirmation from Statutory Auditor of the Company along with half yearly/annual financial results on following issues (please also enclose certificate of statutory auditor):-</td><td rowspan="2">Annexure 1</td></tr>
<tr><td>3.</td><td><table><tr><td>Issue size</td><td>Security Value/Cover</td><td>Asset Cover</td><td>Debt Equity Ratio</td><td>Value of book debts / receivables certified by the statutory auditor.</td></tr><tr><td>Rs.150 Cr</td><td>100 %</td><td>4.34</td><td>1.36</td><td>Rs. 3715 Lakhs</td></tr></table></td></tr>
</table>

SAGAR CEMENTS (R) LIMITED HYD

4.	Issue size	Purpose of utilization of Proceeds *(deviations, if any)*	Status of compliance with the covenants of the Offer Document/Information Memorandum	Debt Service Coverage Ratio *[Not applicable to Banks]*	Interest Service Coverage Ratio *[Not applicable to Banks]*		
	150 Cr	The purpose of issue of NCDs is for repayment of Existing Term Loans and Unsecured Loans and the same has been repaid.	Yes	1.26	2.73		
5	Issue size	Maintenance of Debenture Redemption Reserve	DRR required to be Created [In Crs.]	DRR Created upto 31st March 2021 Rs. (In Cr.)	Funds invested for debentures maturing during the year		Yes
	Please mention issue size along with ISIN no. for DRR & REF						
		Creation of Recovery Expense Fund (REF) in terms of SEBI Circular dated 22.10.2020					
		Maintenance of REF, REF required to be created [in Rs.]	REF created upto 31st March 2021	REF maintained In the form of	Any addition in the REF during the last quarter		
		Rs.1,03,847/-	Rs.1,03,847/-	Bank Guarantee	No		
6	Net worth of the company	Net profit after tax	Earnings per share				Yes
	Rs. 18465 Lakhs.	Rs. 1405 Lakhs	1.21				
7	Certificate of confirmation from Key Managerial Person of the Company						
	Issue Size	Security in terms of Information Memorandum/ Debenture Trust Deed created within due date (Yes/No)	Details of pending security *(if any)*	Reasons for delay *(waiver if any)*			Annexure 2

SAGAR CEMENTS (R) LIMITED HYD

UKAS MANAGEMENT SYSTEMS

QUALITY SYSTEM CERTIFICATION DNV·GL ISO 9001
ENVIRONMENTAL SYSTEM CERTIFICATION DNV·GL ISO 14001
SAFETY SYSTEM CERTIFICATION DNV·GL OHSAS 18001

Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.
Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 E-mail : info-r@sagarcements.in Website : www.sagarcements-r.in
Factory : Gudipadu Village and Post, Yadiki Mandal, Ananthapur District, Andhra Pradesh - 515408. Phone: 08558-200272
CIN : U40300TG2007PLC134320 GSTIN : 36AADCB2257L3ZJ

<table>
<tr><td>8.</td><td colspan="2">Certificate of confirmation from Key Managerial Person of the Company</td><td></td></tr>
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<table>
<tr><th>Issue Size</th><th>ISIN</th><th>Due date (s) for the payment of interest/principal (falling in the previous half-year)</th><th>Payment of interest/principal on due date (Yes/No)</th><th>Reasons for delay (if any)</th></tr>
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</table>
</td><td>Annexure 2</td></tr>
<tr><td>10</td><td>Half yearly results</td><td>Un-Audited financial results on half yearly basis as submitted to stock exchange</td><td>Annexure 3</td></tr>
<tr><td>11</td><td>Audited results</td><td>The audited financial results, along with the statutory auditors report, the directors annual report , profit and loss accounts, balance sheets</td><td>Annexure 4</td></tr>
<tr><td>12</td><td>Undertaking to stock exchange</td><td>Certified true copy of the undertaking submitted to the stock exchange in terms of Regulation 57(2) of the SEBI (Listing Obligations and Disclosure Requirements) 2015</td><td>Annexure 5</td></tr>
<tr><td>13</td><td>Letter to stock exchange</td><td>Certified true copy of the letter submitted to the stock exchange in terms of Reg. 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) 2015</td><td>Annexure 6</td></tr>
</table>

Part – II. Information to be submitted to the Debenture holders (Regulation 58)

We confirm that we shall in terms of the **Regulation 58 of the** SEBI (Listing Obligations and Disclosure Requirements) 2015 send to the Debenture Holders the following documents and information:-

a) Hard / Soft copies of full annual reports to those who request for the same.
b) Half yearly communication as specified in sub-regulation (4) and (5) of regulation 52;
c) Notice(s) of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting.
d) Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.

For Sagar Cements (R) Limited

K.Prasad
Chief Financial Officer

SAGAR CEMENTS (R) LIMITED HYD

Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.
Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 E-mail : info-r@sagarcements.in Website : www.sagarcements-r.in
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CIN : U40300TG2007PLC134320 GSTIN : 36AADCB2257L3ZJ

Appendix-A

Statement of Deviation or Variation

Name of listed entity	**Sagar Cements (R) Limited**
Mode of Fund Raising	**Private Placement**
Type of instrument	**Non-Convertible Debenture**
Date of Raising Funds	**23rd March, 2016**
Amount Raised	**150 Cr**
Report filed for half year ended	
Is there a Deviation / Variation in use of funds raised?	**No**
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	**No**
If yes, details of the approval so required?	-
Date of approval	-
Explanation for the Deviation / Variation	-
Comments of the audit committee after review/ board of directors (in case there is no audit committee)	-
Comments of the auditors, if any	-
Objects for which funds have been raised and where there has been a deviation, in the following table:	-

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any

Deviation could mean:
(a) Deviation in the objects or purposes for which the funds have been raised
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Sagar Cements (R) Limited

K.Prasad
Chief Financial Officer

SAGAR CEMENTS (R) LIMITED HYD

Annexure 1

Deloitte Haskins & Sells

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
1st, 2nd & 3rd Floor
Jubilee Enclave, Madhapur
Hyderabad - 500 081
Telanagana, India

Tel : +91 40 7125 3600
Fax : +91 40 7125 3601

Independent Auditors' Certificate

To
The Board of Directors,
Sagar Cements (R) Limited, Plot No.
111, Road No. 10, Jubilee Hills,
Hyderabad - 500 003.

1. This certificate is issued in accordance with the terms of our engagement letter dated October 25, 2021.

2. We Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 008072S), the statutory auditors of Sagar Cements (R) Limited (the "Company") have been requested by the Management of the Company to certify the accompanying Statement of asset cover and Compliance with covenants for the half year ended and as at September 30, 2021 (the "Statement") for submission to the Securities and Exchange Board of India ("SEBI") pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and to IDBI Trusteeship Services Limited (Debenture Trustees of the Non-Convertible Debentures) pursuant to Regulation 15(1)(t) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as amended (together the "Regulations"). The Statement has been signed by us for identification purpose only.

Management's Responsibility

3. The preparation of the Statement from the unaudited books of accounts for the half year ended September 30, 2021 and other relevant records and documents is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management of the Company is also responsible for the adherence with all the applicable requirements for the issue of the non-convertible debentures including inter alia the requirements of the periodical reports, the Debenture Trust Deed, read with Securities and Exchange Board of India (Debenture Trustee) Amendment Regulations, 2017, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and the Companies Act, 2013, as applicable ("the Guidelines")

Auditors' Responsibility

5. Our responsibility is to provide a reasonable assurance whether the particulars contained in the aforesaid Statement are in agreement with the unaudited books of accounts for the half year ended September 30, 2021 and other relevant records and documents maintained by the Company for the half year ended September 30, 2021. This does not include the evaluation of adherence by the Company with all the applicable Guidelines.

6. The financial statements as of and for the half year ended September 30, 2021 have been reviewed by us, on which we issued an unmodified opinion vide our report dated October 27, 2021. Our review of these financial statements was conducted in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

SAGAR CEMENTS (R) LIMITED HYD

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on our examination as above, and according to the information, explanations and representations provided to us by the Management of the Company, we certify that the particulars furnished by the Company in the Statement, read with the notes thereon, are in agreement with the aforesaid unaudited books of accounts for the half year ended September 30, 2021 and other relevant records and documents maintained by the Company.

Restriction on Use

10. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of submission to Debenture Trustee i.e., IDBI Trusteeship Services Limited in terms of aforesaid regulations/requirements and should not be used for any other purpose without prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN:21201193AAAAJE7096)

Place: Hyderabad
Date: November 05, 2021

SAGAR CEMENTS (R) LIMITED
HYD

Statement of asset cover and Compliance with covenants for the half year ended and as at September 30, 2021

a) The company has vide its Board Resolution and information memorandum/ offer document and under Debenture Trust Deed, has issued the following listed debt security:

ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Sanctioned Amount (Rs. in Lakhs)
INE433R07016	Private Placement	Secured	15,000

b) Asset Cover for listed debt securities:

i. The financial information as on September 30, 2021 has been extracted from the books of accounts for the period ended September 30, 2021 and other relevant records of the Company.

ii. The assets of the Company provide coverage of 4.34 times of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed (calculation as per statement of asset cover ratio for the Secured debt securities - table – I)

iii. The total assets of the Company provide coverage of ...... times of the principal, which is in accordance with the terms of issue (calculation as per statement of asset coverage ratio available for the unsecured debt securities - table – II) (as per requirement of Regulation 54 read with Regulation 56(1)(d) of LODR Regulations). – NOT APPLICABLE

Table – I:

Sl. No.	Particulars		Amount (Rs. in Lakhs)
i.	Total assets available for secured Debt Securities' – (secured by either pari passu or exclusive charge on assets) (mention the share of Debt Securities' charge holders)	A	41,672
	• Property Plant & Equipment (Fixed assets) - movable/ immovable property etc		41,672
	• Loans /advances given (net of provisions, NPAs and sell down portfolio), Debt Securities, other credit extended etc		-
	• Receivables including interest accrued on Term loan/ Debt Securities etc		-
	• Investment(s)		-
	• Cash and cash equivalents and other current/ Non-current assets		-
ii.	Total borrowing through issue of secured Debt Securities (secured by either pari passu or exclusive charge on assets)	B	9,598
	• Debt Securities (Provide details as per table below)		9,231
	• IND - AS adjustment for effective Interest rate on secured Debt Securities		-
	• Interest accrued/payable on secured Debt Securities		367
iii.	Asset Coverage Ratio (100% or higher as per the terms of offer document/information memorandum/ debenture trust deed)	A/B	4.34

ISIN wise details

Sl. No.	ISIN	Facility	Type of charge	Sanctioned Amount (Rs.in Lakhs)	Outstanding Amount as on 30-09-2021	Cover Required	Assets Required (Rs.in Lakhs)
1.	INE433R07016	Non-convertible Debt Securities	Pari-passu/ exclusive	15,000	9,231	125%	11,539
	Grand Total			**15,000**	**9,231**	**125%**	**11,539**

Table - II

Sl. No.	Particulars		Amount (Rs. in Lakhs)
i.	Net assets of the listed entity available for unsecured lenders (Property Plant & Equipment (excluding intangible assets and prepaid expenses) + Investments + Cash & Bank Balances + Other current/ Non-current assets excluding deferred tax assets (-) Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads (-) unsecured current/ non-current liabilities (-) interest accrued/ payable on unsecured borrowings)	A	Not applicable*
ii.	Total Borrowings (unsecured)	B	
	• Term loan		
	• Non-convertible Debt Securities		
	• CC/ OD Limits		
	• Other Borrowings		
	• IND - AS adjustment for effective Interest rate on unsecured borrowings		
iii.	Assets Coverage Ratio (100% or higher as per the terms of Offer Document/ Information Memorandum/ Debenture Trust Deed)	(A/B)	

* There are no outstanding unsecured borrowings as on September 30, 2021

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We confirm that the compliances made by the company in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the such covenants/terms of the issue have been complied by the company except as stated below: -

Particulars	Required	Actual
Current Ratio	1.3 times	1.03
Financial Indebtedness to EBITDA	< 3 times	NA*

* Financial Indebtedness to EBITDA ratio is calculated at the financial year end, as EBITDA for the financial year needs to be considered for calculating the ratio.

SAGAR CEMENTS (R) LIMITED

SAGAR CEMENTS (R) LIMITED HYD

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS (R) LIMITED

(A wholly owned subsidiary of SAGAR CEMENTS LIMITED)

Annexure 2

To,
The Team Leader,
IDBI Trusteeship Services Ltd.,
Asian Building, Ground Floor,
17, R.Kamani Marg,
Ballard Estate, Mumbai -400 001.

Date: 06.11.2021

Dear Sir,

Sub: Certificate of confirmation in relation with the SEBI (Debenture Trustee) Regulations, 1993.

In compliance with the SEBI (Debenture Trustee) Regulations, 1993 as amended from time to time, we confirm the following w.r.t Non-Convertible Debentures.

Issue Size	Security in terms of Information Memorandum/ Debenture Trust Deed created within due date (Yes/No)	Details of pending security *(if any)*	Reasons for delay *(waiver if any)*
150 Cr	**Yes**	-	-

Issue Size	ISIN	Due date (s) for the payment of interest/principal *(falling in the previous half-year)*	Payment of interest/principal on due date (Yes/No)	Reasons for delay *(if any)*
150Cr	**INE433R 07016**	**28.05.2021**	**Yes**	-

Issue Size	ISIN	Due date (s) for the payment of interest/principal *(falling in the forthcoming half-year)*	Reasons for change *(if any)*
150Cr	**INE433R 07016**	**28.11.2021**	-

Thanking you

Yours faithfully
For Sagar Cements (R) Limited

K.Prasad
Chief Financial Officer

SAGAR CEMENTS (R) LIMITED HYD

Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.
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CIN : U40300TG2007PLC134320 GSTIN : 36AADCB2257L3ZJ

Annexure-3

SAGAR CEMENTS (R) LIMITED
CIN No: U40300TG2007PLC134320
Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad - 500 033 Fax: +91 40 23356573
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30,2021

(In Indian ₹ lakhs, except per share data and unless otherwise stated)

Sl. No	Particulars	Quarter ended	Six months ended		Year ended
		September 30, 2021	September 30, 2021	September 30, 2020	March 31, 2021
		(Refer Note 9)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations				
	(a) Revenue from operations	11,239	22,286	15,544	37,678
	(b) Other Income	(24)	114	104	116
	Total Income	11,215	22,400	15,648	37,794
2	Expenses				
	(a) Cost of materials consumed	1,511	3,120	1,723	4,500
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(919)	378	847
	(c) Employee benefits expense	333	622	578	1,200
	(d) Finance costs	785	1,581	1,805	3,413
	(e) Depreciation and amortisation expense	575	1,132	1,111	2,221
	(f) Power and fuel expense	3,475	7,020	3,331	8,607
	(g) Freight & forwarding	2,511	4,726	2,930	7,859
	(h) Other expenses	1,463	2,863	2,099	4,765
	Total expenses	10,677	20,145	13,955	33,412
3	Profit before tax (1-2)	538	2,255	1,693	4,382
4	Tax expense				
	(a) Current Tax	-	-	-	-
	(b) Deferred Tax	264	850	642	1,536
	Total Tax	264	850	642	1,536
5	Net profit for the period (3-4)	274	1,405	1,051	2,846
6	Other comprehensive income				
	(i) Remeasurements losses on defined benefit plans	-	-	-	(1)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	Total Other comprehensive loss	-	-	-	(1)
7	Total comprehensive income (5+6)	274	1,405	1,051	2,845
8	Paid up equity share capital	11,596	11,596	10,381	11,596
9	Other equity	6,869	6,869	(3,620)	5,464
10	Net worth (Refer note 3)	18,465	18,465	6,761	17,060
11	Paid up Debt Capital (Refer note 3)	9,231	9,231	11,538	10,384
12	Earnings per share (Basic & Diluted) of ₹ 10 each	0.23	1.21	1.01	2.69
13	Debt Equity Ratio (Refer note 3)	1.36	1.36	4.14	1.51
14	Debt Service Coverage Ratio (Refer note 3)	1.03	1.26	1.43	1.28
15	Interest Service Coverage Ratio (Refer note 3)	2.17	2.73	2.25	2.55
16	Long term Debt to Working Capital (Refer note 3)	4.96	4.96	(5.45)	14.98
17	Total debts to Total Assets ratio (Refer note 3)	0.51	0.51	0.58	0.50
18	Current ratio (Refer note 3)	1.78	1.78	0.65	1.22
19	Bad debts to Account receivable ratio (Refer note 3)	0.03	0.03	0.05	0.05
20	Current liability ratio (Refer note 3)	0.18	0.18	0.31	0.22
21	Debtors Turnover ratio (Refer note 3)	13.85	13.74	7.97	10.82
22	Inventory Turnover ratio (Refer note 3)	10.61	10.52	8.09	11.17
23	Operating Margin (Refer note 3)	17.12%	21.80%	28.98%	26.29%
24	Net Profit Margin (Refer note 3)	2.45%	6.31%	6.76%	7.56%
					(*)

(*) - Annualised

SAGAR CEMENTS (R) LIMITED HYD

SAGAR CEMENTS (R) LIMITED HYD

Balance sheet (₹ in lakhs)

Particulars	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	40,822	41,167
(b) Capital work-in-progress	850	308
(c) Right of use assets	59	4
(d) Intangible assets	9	9
(e) Financial assets		
- Other financial assets	348	267
(f) Deferred tax assets (net)	-	538
(g) Income tax assets (net)	157	176
(h) Other non-current assets	166	167
Total Non-current assets (1)	42,411	42,636
Current assets		
(a) Inventories	5,237	3,231
(b) Financial assets		
(i) Trade receivables	3,715	2,769
(ii) Cash and cash equivalents	351	2,005
(iii) Bank balances other than Cash and cash equivalents	619	362
(iv) Other financial assets	145	77
(c) Other current assets	1,493	1,025
Total Current assets (2)	11,560	9,469
Total Assets (1+2)	53,971	52,105
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	11,596	11,596
(b) Other equity	6,869	5,464
Total Equity (1)	18,465	17,060
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	22,035	21,894
(ia) Lease liabilities	41	1
(ii) Other financial liabilities	947	1,753
(b) Provisions	125	123
(c) Deferred tax liabilities (net)	313	-
(d) Other non current liabilities	50	50
Total Non-current liabilities (2)	23,511	23,821
Current liabilities		
(a) Financial liabilities		
(i) Borrowings (Refer note 7)	5,478	3,474
(ia) Lease liabilities	21	4
(ii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	15	4
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	4,622	5,282
(iii) Other financial liabilities (Refer note 7)	425	463
(b) Provisions	72	61
(c) Other current liabilities	1,362	1,936
Total Current liabilities (3)	11,995	11,224
Total Liabilities (4=2+3)	35,506	35,045
Total Equity and Liabilities (1+2+3)	53,971	52,105

SAGAR CEMENTS (R) LIMITED ★ HYD

SAGAR CEMENTS (R) LIMITED ★ HYD

Statement of cash flows for the six months ended September 30, 2021

(₹ in lakhs)

	Particulars	Six months ended September 30, 2021 (Unaudited)		Six months ended September 30, 2020 (Unaudited)	
A	**Cash flows from operating activities**				
	Profit before tax for the period		2,255		1,693
	Adjustments for:				
	Depreciation and amortisation expense	1,132		1,111	
	Finance costs	1,581		1,805	
	Interest income	(29)		(13)	
	Expected credit loss allowance on trade receivables	-		100	
	Provision for incentives receivable from government	75		-	
	Unrealised loss on foreign currency transactions and translation	-		38	
	Net loss on fair value change in financial instruments	1		71	
	Provisions no longer required written back	(75)		-	
			2,685		3,112
	Operating profit before working capital changes		4,940		4,805
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Trade receivables	(871)		477	
	Inventories	(2,006)		(662)	
	Other financial assets	(62)		(40)	
	Other assets	(539)		(23)	
			(3,478)		(248)
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	(649)		(891)	
	Other financial liabilities	94		17	
	Provisions	13		11	
	Other liabilities	(574)		115	
			(1,116)		(748)
	Cash generated from operating activities		346		3,609
	Less: Income tax refund/ (paid)		19		(1)
	Net cash generated from operating activities		365		3,608
B	**Cash flow from investing activities**				
	Capital expenditure on property, plant and equipment including capital advances	(1,331)		(133)	
	Deposits not considered as cash and cash equivalents				
	- Placed	(506)		(446)	
	- Matured	157		-	
	Proceeds from disposal of plant and equipment's	6		-	
	Interest received	19		14	
	Net cash used in investing activities		(1,655)		(565)
C	**Cash flow from financing activities**				
	Repayment of unsecured loan from related party	(900)		-	
	Proceeds from non-current borrowings	1,011		-	
	Repayment of non-current borrowings	(1,495)		(1,430)	
	Proceeds of current borrowings (net)	1,978		93	
	Repayment of lease liabilities	(15)		(14)	
	Finance costs	(943)		(1,896)	
	Net cash used in financing activities		(364)		(3,247)
	Net increase in cash and cash equivalents (A+B+C)		(1,654)		(4)
	Cash and cash equivalents at the beginning of the year		2,005		7
	Cash and cash equivalents at the end of the year		351		3

SAGAR CEMENTS (R) LIMITED HYD

SAGAR CEMENTS (R) LIMITED HYD

Notes:

1 The above unaudited financial results of Sagar Cements (R) Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on October 27, 2021. The statutory auditors have carried out a limited review of the financial results.

2 The financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

3 Ratios have been computed as follows:
   a) Debt equity ratio (times) = Debt / Net Worth
      [Debt: Long term secured loans + Current maturities of long term debt + Loan term unsecured loans]
      [Net Worth: Equity share capital + Reserves and Surplus]
   b) Debt service coverage ratio (times) = Earnings before depreciation, interest and tax / (Interest expense during the period + Principal repayment (excluding refinanced debt) for all the loan funds during the period).
   c) Interest service coverage ratio (times) = Cash profit after adjusting depreciation / Interest expense during the period.
      [Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]
   d) Paid up Debt Capital = Non Convertible Debentures
   e) Long term Debt to Working Capital (times) = [(Non-Current Borrowings + Current maturities of long term debt + Loan term unsecured loans)/ (Net working capital excl. Current borrowings)]
   f) Total debts to Total Assets ratio (%) = [(Long term debt + Current borrowings)/ Total Assets]
   g) Current ratio (times) = (Current Assets/ Current Liabilities excl. Current borrowings)
   h) Bad debts to Account receivable ratio (%) = (Bad Debts/ Average Trade. Receivable)
   i) Current liability ratio (%) = (Current liabilities excl. Current borrowings/ Total liabilities)
   j) Debtors Turnover ratio (times) = [(Sales of Products and Services/ Average Trade Receivable)] - Annualised
   k) Inventory Turnover ratio (times) = [(Sales of Products and Services/ Average Inventory)] - Annualised
   l) Operating Margin (%) = [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income)/ Sales of Products and Services]
   m) Net Profit Margin (%) = [Profit after tax/ Sales of Products and Services]

4 COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Company has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial results in determining the possible effects on the carrying amounts of inventories, receivables, deferred tax assets and other current assets, that may result from the COVID-19 pandemic. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

5 The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020 and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation and will give appropriate impact in its financial results in the period in which the Code becomes effective and the related rules are published.

6 The Board of Directors of the Company in their meeting on April 26, 2021 have approved the proposed Scheme of Amalgamation of the Company with its parent company Sagar Cements Limited subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Merger application has been filed with the Hon'ble National Company Law Tribunal on July 12, 2021. Upon approval of the Scheme from the concerned authorities, the undertakings of the Company shall get transferred to and vested in the Sagar Cements Limited (Parent Company) with the Appointed Date i.e., March 30, 2021 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, financial results of the Company for the quarter and half year ended September 30, 2021 and year ended March 31, 2021 are presented without giving effect to the said merger.

7 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long term borrowings of ₹ 2,965 Lakhs as at March 31, 2021 have been reclassified from 'Other current financial liabilities' to 'Short term borrowings'.

8 The Securities Exchange Board of India (SEBI) vide its circular No SEBI/HO/DDHS/CIR/2021/0000000637 dated October 05, 2021 amended regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), regulations 2015, mandating entities that have listed non-convertible securities to disclose financial results on a quarterly basis. Company has availed the exemption provided by the said circular and accordingly the figures for the corresponding quarters have not been included in the Statement.

9 The figures for the quarter ended September 30, 2021 are the balancing figures between the year-to-date reviewed figures for the six months period ended September 30, 2021 and unreviewed/ unaudited figures for the quarter ended June 30, 2021.

For Sagar Cements (R) Limited

SAGAR CEMENTS (R) LIMITED HYD

Dr. S. Anand Reddy
(Managing Director)

Place: Hyderabad
Date: October 27, 2021

SAGAR CEMENTS (R) LIMITED HYD

Deloitte
Haskins & Sells

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
1st, 2nd & 3rd Floor
Jubilee Enclave, Madhapur
Hyderabad - 500 081
Telanagana, India

Tel : +91 40 7125 3600
Fax : +91 40 7125 3601

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
SAGAR CEMENTS (R) LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results ("Results") of **SAGAR CEMENTS (R) LIMITED** ("the Company") for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

SAGAR CEMENTS (R) LIMITED HYD

5. As stated in Note 9, the figures for the quarter ended September 30, 2021 are the balancing figures between the year-to-date figures for the six months period ended September 30, 2021 and figures for the quarter ended June 30, 2021. We have not reviewed or audited the figures for the quarter ended June 30, 2021.

   Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN:21201193AAAAIT7532)

Place: Hyderabad
Date: October 27, 2021

SAGAR CEMENTS (R) LIMITED
HYD

SAGAR CEMENTS (R) LIMITED

(A wholly owned subsidiary of SAGAR CEMENTS LIMITED)

Annexure 5

Ref:SCRL:SEC:NSE:2020-21

Date: 06.11.2021

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

Dear Sir,

Sub: Certificate under Regulation 57(2) of the SEBI (Listing Obligations and Disclosure Requirements) 2015

In Compliance with the Regulation 57(2) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, we hereby state that all the documents and intimations required to be submitted to Debenture Trustee in terms of Trust Deed and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation , 2008 have been complied with.

Thanking you

Yours faithfully
For Sagar Cements (R) Limited

K.Prasad
Chief Financial Officer

SAGAR CEMENTS (R) LIMITED ★ HYD

Ref:SCRL:SEC:NSE:2020-21 Annexure 6

The National Stock Exchange of India Ltd.,
"Exchange Plaza", 5th Floor
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051

Dear Sir,

Sub: Certificate under Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) 2015

In compliance with Regulation 54 of the Listing Regulations, we confirm that, the Company has maintained a 100% asset cover sufficient to discharge the principal amount for the non-convertible debt securities issued by the Company. The asset cover has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.

Thanking you

Yours faithfully
For Sagar Cements (R) Limited

K.Prasad
K.Prasad
Chief Financial Officer

SAGAR CEMENTS (R) LIMITED HYD

SAGAR CEMENTS (R) LIMITED

14th Annual Report

2020-21

BOARD OF DIRECTORS

Shri K.Thanu Pillai	Chairman – Independent & Non Executive
Dr.S.Anand Reddy	Managing Director
Shri S.Sreekanth Reddy	Director
Ms.S.Sahithi	Executive Director
Shri V.H.Ramakrishnan	Independent & Non Executive
Mrs.O.Rekha	Independent & Non-Executive

COMPANY SECRETARY	Shri R.Soundararajan
CHIEF FINANCIAL OFFICER	Shri K.Prasad
AUDITORS	M/s.Deloitte Haskins & Sells Chartered Accountants (FR NO.008072S) KRB Towers, Plot No 1 to 4 & 4A, 1st, 2nd & 3rd Floor, Jubilee Enclave, Madhapur, Hyderabad, Telangana – 500 081, India. Ph: +91 40 7125 3600
COST AUDITORS	M/s.GNV & Associates Cost Accountants (FR No.000150) 8, I Floor, 4th Main Road, (Next to Indian Bank) Chamarajpet, Bangalore-560 018 Ph: + 91 80-41157020
BANKERS	State Bank of India Yes Bank Limited
DEBENTURE TRUSTEE	IDBI Trusteeship Services Limited Ground Floor, Asian Building, R.Kamani Marg, Ballard Estate, Mumbai - 400 001. Phone: 022 40807022
REGISTERED OFFICE	Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033, Telangana. Website: www.sagarcements-r.in, e-mail: info-r@sagarcements.in
CORPORATE IDENTITY NUMBER	U40300TG2007PLC134320
PLANT	Gudipadu Village and Post Yadaki Mandal, Ananthapur District Andhra Pradesh-515 408 Tel: 08558 200272

SAGAR CEMENTS (R) LIMITED

CIN: U40300TG2007PLC134320

(A wholly-owned subsidiary of Sagar Cements Limited)

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of Sagar Cements (R) Limited will be held on Wednesday, the 1st day of September 2021, at 11.00 a.m. at the Registered Office of the company at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033 to transact the following business:

Ordinary Business

1. Adoption of Accounts etc.

   To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2021 together with the reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution.

   "**Resolved** that the audited Financial Statements of the Company for the year ended 31st March, 2021 together with the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."

2. Re-appointment of the retiring director

   To re-appoint the retiring director, Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation and being eligible, offers himself for re-appointment as director and in this regard to pass the following resolution as an ordinary resolution.

   "**Resolved that** Shri S.Sreekanth Reddy (DIN: 00123889) who retires by rotation in accordance with Section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. Re-appointment of Auditors

   To consider and, if thought fit, to pass with or without modifications(s) the following resolution as an Ordinary Resolution.

   "**Resolved that** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s.Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.008072S) be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 19th Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

Special Business

4. Ratification of remuneration payable to the Cost Auditors.

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**Resolved that** pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval accorded by the Board of Directors of the company for payment of remuneration of Rs.1,75,000/- plus reimbursement of applicable taxes, travelling and other out of pocket expenses to M/s.GNV & Associates., Cost Accountants, Bengaluru, (Firm Registration No.000150), to conduct the audit of the cost records of the company for the financial year ending 31st March 2022 be and is hereby ratified."

5. Re-appointment of Dr.S.Anand Reddy (DIN: 00123870) as Managing Director of the company.

   To consider and if, thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

   Resolved that pursuant to Section 196 of the Companies Act, 2013 read with its Schedule V and its other applicable provisions, Dr.S.Anand Reddy (DIN 00123870), be and is hereby re-appointed as Managing Director of the company for a period of 3 years with effect from 31st October, 2021 without any remuneration.

   Further Resolved that the necessary forms be and are hereby authorised to be filed under the above said Act with the prescribed authorities under the signature of any one of the directors of the company or its Company Secretary.

By Order of the Board of Directors

Hyderabad
28th July, 2021

R.Soundararajan
Company Secretary

Registered Office:
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad-500 033. Telangana

Notes:

1. The Explanatory Statement setting out material facts concerning the business under Item No. 4 and 5 in the Notice is given in the Annexure-1, which forms part of this Notice.
2. The details required to be given in respect of directors seeking re-appointment are given in the Annexure-2, which forms part of this Notice.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the said proxy need not be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the company, duly completed and signed, not less than forty eight hours before the commencement of the meeting.

4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

5. Members are requested to notify the company of the change, if any, in their address, quoting their registered folio number.

6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the company during normal business hours (9.30 a.m. to 6.00 p.m.) on all working days except Saturdays and Sundays, up to the date of the Annual General Meeting of the Company.

7. The route map showing directions to reach the venue of the fourteenth AGM is annexed.

By Order of the Board of Directors

Hyderabad
28th July, 2021

R.Soundararajan
Company Secretary

Registered Office:
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad-500 033. Telangana

Annexure to the Notice of the 14th Annual General Meeting

Annexure 1

Statement pursuant to Section 102 (1) of the Companies Act 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.4 and 5 of the accompanying Notice dated 28th July, 2021.

On Item No.4

The Board of Directors of the Company ("The Board") on the recommendation of its Audit Committee, has approved the appointment of M/s.GNV & Associates, Cost Accountants as Cost Auditors for the Financial Year 2021-22 and payment of remuneration to the said Cost Auditors as mentioned in the resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under, the remuneration payable to the Cost Auditors needs to be ratified by the shareholders of the company.

Accordingly, an Ordinary Resolution as set out at Item No.4 of the Notice containing the remuneration approved for Cost Auditors is submitted for ratification by the members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested, financially or otherwise in the said Resolution.

Your directors recommend the resolution for approval of the shareholders.

On Item No.5

As the tenure of Dr.S.Anand Reddy as Managing Director will be expiring on 30th October, 2021, the Board on the recommendation of its Nomination and Remuneration Committee and Audit Committee has re-appointed him as Managing Director for a further period of 3 years with effect from 31st October, 2021 without any remuneration.

This re-appointment needs further approval of the shareholders. Dr.S.Anand Reddy has been associated with the company as director since its acquisition by Sagar Cements Limited (SCL) with which he has been associated as Whole-time Director for nearly 28 years. Currently, he is also the Managing Director of SCL. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company.

As the resolution relates to the appointment of Dr.S.Anand Reddy as Managing Director, to that extent he along with Shri S.Sreekanth Reddy and Ms.S.Sahithi, who are the other directors related to him, may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Board is of the firm view that it would be in the interest of the company that Dr.S.Anand Reddy, be re-appointed as Managing Director and accordingly it commends the resolution for approval of the shareholders.

By Order of the Board of Directors

Hyderabad
28th July, 2021

R.Soundararajan
Company Secretary

Registered Office:
Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033. Telangana

Annexure 2

Details of Directors seeking re-appointment at the Annual General Meeting

Name of the Director	**Dr. S.Anand Reddy**	**Shri S.Sreekanth Reddy**
Date of birth	10.06.1964	27.08.1971
DIN	00123870	00123889
Experience in specific functional areas	Corporate Executive	Corporate Executive
Qualification	M.B.B.S.	B.E. (I & P) and PG Diploma in Cement Technology
Directorships in other Listed companies	Sagar Cements Ltd., as MD	Sagar Cements Ltd., Sagarsoft (India) Ltd.,
Membership of Audit / Stakeholders' Relationship Committees of other Public Limited Companies	Sagar Cements Ltd., Member, Stakeholders' Relationship Committee Sagar Power Ltd., - Chairman, Audit Committee	Nil
No. of shares held in the company	1 (As nominee of Sagar Cements Limited, holding company)	1 (As nominee of Sagar Cements Limited, holding company)
Inter-se relationship with other Directors of the Company	Related to Shri S.Sreekanth Reddy, Director and Ms.S.Sahithi, Executive Director	Related to Dr.S.Anand Reddy, Managing Director and Ms.S.Sahithi, Executive Director.

By Order of the Board of Directors

Hyderabad
28th July, 2021

R.Soundararajan
Company Secretary

Registered Office:
Plot No.111, Road No.10,
Jubilee Hills,
Hyderabad-500 033.
Telangana

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Fourteenth Annual Report on the accounts for the Financial Year ended March 31, 2021.

FINANCIAL AND BUSINESS PERFORMANCE

The Company's financial performance for the year ended March 31, 2021 is summarized below:

(₹ in Lakhs)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2020
Revenue from operations	**37,678**	35,061
Earnings Before Interest, Depreciation, Taxation & Amortization (EBIDTA)	**9,900**	6,760
Finance Cost	**3,413**	3,985
Depreciation & Amortization	**2,221**	2,168
Exceptional Items	-	-
Profit Before Taxation (PBT)	**4,382**	708
Provision for current tax / deferred tax	**1,536**	1,209
Profit after Taxation (PAT)	**2,846**	(501)

The company has reported a net revenue of Rs.37,678 lakhs as against Rs.35,061 lakhs in the previous year. The EBITDA of the company stood at Rs.9,900 lakhs for the year under review as against Rs.6,760 lakhs for the previous year. The profit after tax stood at Rs.2,846 lakhs for the year under review as against a net loss of Rs.501 lakhs in the previous year.

During the year under review, the company produced 8,56,575 MTs of cement compared to 8,72,076 MTs in the previous year. Power generated by the company during the year under review was 72,209 MWH as against 1,02,205 MWH in the previous year.

DIVIDEND

In view of the subsisting loan agreement with International Finance Corporation (IFC), your Directors are unable to declare either on CRP shares or on equity shares any dividend for the financial year ended 31st March, 2021.

SHARE CAPITAL

During the year, your company issued 1,21,50,000 equity shares of face value of Rs.10 each, as a result of which, the paid-up share capital of the company as on 31st March, 2021 stood increased to Rs.158,96,29,250/-.

FUTURE OUTLOOK

The present low per capita cement consumption in India and the process of its catching up with international averages along with rapid economic growth and increased focus on infrastructure development are expected to drive future growth in the industry.

The cement produced from your company's existing plant is presently catering to the markets in Telangana, Andhra Pradesh, Karnataka and Tamilnadu.

However, with the cement supplies in the above markets being in excess of the demand, the Demand supply Dynamics does not offer much scope for your company to increase its sales volume in these markets to any significant extent, atleast in the near future. Further as these markets are already witnessing heavy competition resulting in wide fluctuations in the price impacting the margins, with a view to reducing your Company's dependence exclusively on these markets, we are looking for opportunities to set up more integrated cement plants / grinding stations in the country, where demand for cement is expected to grow relatively at a faster rate.

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

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not granted any loans, or provided any guarantees or made any investment during the Financial Year 2020-21.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with the size, scale and complexity of its operations. To maintain objectivity and independence, the Internal Auditors directly report to the Chairman of the Audit Committee of the Board.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are given below:

a) Conservation of Energy

The Company makes conscious efforts to reduce its energy consumption though its nature of operations are not energy-intensive. Some of the measures undertaken by the Company on a continuous basis are stated below:

i. Rationalization of usage of electrical equipments- air-conditioning system, office illumination, desktops.

ii. Regular monitoring of temperature inside the buildings and controlling the air-conditioning System.

iii. Usage of energy efficient illumination fixtures.

b) Technology Absorption, adoption and innovation: Nil

c) Foreign Exchange Earnings/ Outgo:

Foreign Exchange Earnings and Outgo:	2020-21	2019-20
Earnings	Nil	Nil
Outgo	Rs.2,141 lakhs	Rs.63.31 lakhs

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri S.Sreekanth Reddy will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment. Dr.S.Anand Reddy will be holding his current office as Managing Director till 30th October, 2021 and your Board on the recommendation of its Nomination and Remuneration Committee has re-appointed him as Managing Director. 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.

None of the 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 the necessary declaration from each Independent Director in accordance with Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act 2013.

POLICY ON PERFORMANCE EVALUATION

The Company has formulated a Policy for performance evaluation of independent directors, Board, Committees and other individual directors which includes criteria for performance evaluation of the non-executive director and executive director.

The policies for selection of Directors and for determining Director's independence of the Company are available on the company's website, www.sagarcements-r.in.

REMUNERATION POLICY

The Board on the recommendation of the Nomination & Remuneration Committee has framed a remuneration policy for Directors, Key Managerial Personnel and other employees. The remuneration policy for Directors, Key Managerial Personnel and other employees is available on the company's website, www.sagarcements-r.in.

NUMBER OF MEETINGS OF THE BOARD

Five Board Meetings were held during the financial year 2020-21 and the gap between two consecutive meetings did not exceed one hundred and twenty days. These meetings were held on 29.05.2020, 29.07.2020, 21.10.2020, 20.01.2021 and 24.03.2021.

AUDIT COMMITTEE:

Currently, the Audit Committee comprises of Mrs.O.Rekha, Shri K.Thanu Pillai and Shri V.H.Ramakrishnan, all independent directors as members. All recommendations made by the Audit Committee during the year 2020-21 were accepted by the Board.

The Audit Committee which met five times during the financial year 2020-21, held its meetings on 29.05.2020, 29.07.2020, 21.10.2020, 20.01.2021 and 24.03.2021.

NOMINATION & REMUNERATION COMMITTEE:

Currently, the Nomination & Remuneration Committee comprises of Shri K.Thanu Pillai, Shri V.H.Ramakrishnan and Mrs.O.Rekha, Independent directors and Shri S.Sreekanth Reddy, Director as members. All recommendations made by the Nomination & Remuneration Committee, during the year 2020-21 were accepted by the Board.

The Committee which met once during the financial year 2020-21, held its meeting on 29.07.2020.

TRANSACTIONS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2020-21 are available in the prescribed format, AOC-2 in **Annexure-1** to this report.

CODE OF CONDUCT

The Board of Directors has approved a code of conduct for the Board Members, Key Managerial Personnel & Senior Management personnel. The code lays down the standard procedure of business conduct which is expected to be followed. All Board Members, Key Managerial Personnel and Senior Management personnel have confirmed compliance with the code.

VIGIL MECHANISM:

The Vigil (Whistle Blower) Mechanism intends to provide a platform to the Directors and employees to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation, if any, of the Code of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization by Directors and provide for direct access to the Chairman of the Audit Committee in exceptional cases.

RISK MANAGEMENT

The Board has approved risk management policy in which all risks that the organisation faces such as strategic, financial, market, legal, regulatory and other risks are identified and assessed. There is also an adequate compliance system in place to address these risks.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

M/s.Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S) who were appointed as Statutory Auditors of the company at the 09th Annual General Meeting held on 24th September 2016, will continue to hold office till the conclusion of the 14th Annual General Meeting. A proposal seeking shareholders approval for their re-appointment for a further period of 5 years is included in the Notice of the 14th AGM.

COST AUDITORS

M/s.GNV & Associates, Cost Auditors (FR No.000150) have been appointed as Cost Auditors of the company for the financial year ending 31st March, 2022. A resolution seeking members' approval of the remuneration fixed to the Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are filed with the appropriate authorities.

SECRETARIAL AUDITORS

The Board had appointed M/s B S S & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2020-21 and the Secretarial Audit Report submitted by them for the said year is given in the **Annexure-2** to this report.

SECRETARIAL STANDARDS

The Company has complied with all applicable secretarial standards.

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Act, an extract of the Annual Return for the year 2020-21 has been given in the **Annexure - 3** in the prescribed format, which forms part of this report and Annual Return in Form MGT-7 is also available on the company's website and can be accessed at http://sagarcements-r.in.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The company does not have any subsidiary, associate companies or joint ventures.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

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

Your Company is organizing in-house training programmes wherever required for the employees concerned. Employees are also encouraged to participate in the seminars organized 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 realize their full potential.

Your Company is committed to providing all of its employees with a healthy and safe work environment.

TRANSFER TO RESERVES

During the Financial Year under review, no amount was transferred to General Reserve.

CORPORATE SOCIAL RESPONSIBILITY:

Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are presently not applicable to the company as it is not covered under the parameters mentioned in the said section.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business.

INTERNAL FINANCIAL CONTROLS

The Company has adequate financial controls at every level to check and control any defects and frauds in the Company.

SEXUAL HARASSMENT

Regarding the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013, the company has not received or disposed off any complaints during the year under the above Act.

GENERAL

Your Directors state that:

1. No Material changes or commitments, has occurred affecting the financial position of the company between the end of the financial year of the company to which the financial statements relate and the date of the report.
2. No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the directors have prepared the annual accounts on a going concern basis;

v. the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating effectively;

vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation received from the Holding Company, Government authorities, banks, financial institutions, customers, suppliers and members during the period under review.

Your Directors also wish to place on record their deep sense of appreciation for the services rendered by all the employees of the company.

For and on behalf of the Board of Directors

	Dr. S.Anand Reddy	**S.Sahithi**
Place: Hyderabad	Managing Director	Executive Director
Date: 28.07.2021	DIN: 00123870	DIN: 07293511

Annexure 1

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 (R) 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 2020-21.

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 2020-21.

For and on behalf of the Board of Directors

Place: Hyderabad	**Dr. S.Anand Reddy**	**S.Sahithi**
Date: 28.07.2021	Managing Director	Executive Director
	DIN: 00123870	DIN: 07293511

Annexure-2

Form No. MR-3

Secretarial Audit Report
For the Financial Year ended on March 31, 2021

[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,
M/s. Sagar Cements (R) Limited,
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad-500 033

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ***Sagar Cements (R) 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, during the audit period covering the financial year ended on March 31, 2021 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, 2021 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 there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(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; **(Not applicable to the Company during the audit period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the audit period)**

(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 Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; **(Not applicable to the Company during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**

(vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Environment Protection Act, 1986 and other environmental laws;

(x) Equal Remuneration Act, 1976;

(xi) Factories Act, 1948;

(xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;

(xiii) Maternity Benefits Act, 1961;

(xiv) Minimum Wages Act, 1948;

(xv) Negotiable Instruments Act, 1881;

(xvi) Payment of Bonus Act, 1965;

(xvii) Payment of Gratuity Act, 1972;

(xviii) Payment of Wages Act, 1936 and other applicable labour laws;

(xix) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:

i. Cement Cess Rules, 1993;

ii. Cement (Quality Control) Order, 1995;

iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;

iv. The Hazardous Wastes (Managements Handling and Transboundry Movement) Rules, 2008;

v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;

vi. Water (Prevention & Control of Pollution) Cess Act, 1977;

vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;

viii. The Noise Pollution (Regulation And Control) Rules, 2000;

ix. Mines Act, 1952 and Rules issued thereunder;

x. Mines and Mineral (Regulation and Development) Act, 1957;

xi. The Electricity Act, 2003;

xii. National Tariff Policy;

xiii. Essential Commodities Act, 1955;

xiv. Explosives Act, 1884; and

xv. Indian Boilers Act, 1923.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) 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 was given to all directors to schedule the Board Meetings and agenda with detailed notes there on were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required 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:

i. Company has allotted 1,21,50,000 equity shares of Rs. 10/- on 04.02.2021 and there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

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

S.Srikanth
Partner
ACS No.: 22119
C P No.: 7999
UDIN: A022119C000285151

Place: Hyderabad
Date: 12-05-2021

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,
M/s. Sagar Cements (R) Limited,
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad-500 033

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: A022119C000285151

Place: Hyderabad
Date: 12-05-2021

Annexure-3

Form No. MGT -9

Extract of Annual Return as on the financial year ended March 31, 2021

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN	U40300TG2007PLC134320
ii)	Registration Date	30th August, 2007
iii)	Name of the Company	Sagar Cements (R) Limited
iv)	Category/Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company.
v)	Address of the Registered Office and contact details	Plot No.111 Road No.10, Jubilee Hills, Hyderabad, Telangana, India - 500 033. Ph: 040-23351571 Email: soundar@sagarcements.in
vi)	Whether listed Company	Yes (Listed as a debt listed company)
vii)	Name, address and contact details of Registrar and Transfer Agent, if any (For Debt Instruments)	KFin Technologies Private Limited Selenium Building, Tower B, Plot No(s). 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana. Toll Free No: 1800-3094-001 e-mail: einward.ris@kfintech.com Website: https://www.kfintech.com

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the product /service	% of total turnover of the Company
I	Cement	**23941**	**100%**
II	Power	**351**	**-**

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No	Name and Address of the Company	CIN/GLN	% of Shares held	Applicable Section
I	Sagar Cements Limited (Holding Company)	L26942TG1981PLC002887	100%	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders		No. of shares held at the beginning of the year				No. of shares at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	**Promoter**									
(1)	Indian/HUF									
	a) Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	d) Bodies Corporate	10,38,12,925	Nil	10,38,12,925	100%	11,59,62,925	Nil	11,59,62,925	100%	Nil
	e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	SUB-TOTAL (A) (1)	**10,38,12,925**	**Nil**	**10,38,12,925**	**100%**	**11,59,62,925**	**Nil**	**11,59,62,925**	**100%**	**Nil**
(2)	Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	a) NRIs Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Other-Individual	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	SUB-TOTAL (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL SHAREHOLDING OF PROMOTER(A)=(A)(1)+(A)(2)	**10,38,12,925**	**Nil**	**10,38,12,925**	**100%**	**11,59,62,925**	**Nil**	**11,59,62,925**	**100%**	**Nil**
B.	**Public Shareholding**									
1.	Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	d) State Govts.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	i) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	SUB-TOTAL (B) (1)									
2.	Non-Instituions									
	a) Bodies Corporate									
	i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	b) Individuals									
	i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	c) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	SUB-TOTAL (B) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL SHAREHOLDING OF PUBLIC (B)=(B) (1) + (B) (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
C.	**Shares held by Custodian for GDRs & ADRs**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total (A+B+C)	**10,38,12,925**	**Nil**	**10,38,12,925**	**100%**	**11,59,62,925**	**Nil**	**11,59,62,925**	**100%**	**Nil**

ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year (As on 01-04-2020)			No. of Shares held at the end of the year (As on 31-03-2021)			% change in share holding during the year
	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
Sagar Cements Limited	10,38,12,918	100	100%	11,59,62,918	100	89.52%	-
S.Sahithi (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-
S.Siddarath (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-
S.Vanajatha (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-
Dr.S.Anand Reddy (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-
S.Aruna (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-
S.Sreekanth Reddy (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-
S.Rachana (Nominee of Sagar Cements Ltd.)	01	-	-	01	-	-	-

iii) Change in Shareholding of Promoters

	Shareholding at the beginning of the year (As on 01-04-2020)		Cumulative Shareholding during the year (01-04-2020 to 31-03-2021)	
	No. of shares	% of total shares of the Company	No. of shares	% Change during the year
At the beginning of the year	10,38,12,925	100.00	10,38,12,925	100.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	0	0.00	1,21,50,000	0.00
At the end of the year	**10,38,12,925**	**100.00**	**11,59,62,925**	**100.00**

iv) Shareholding pattern of top ten-shareholders (Other than Directors, promoters and Holders of GDRs and ADRs - Nil

v) Shareholding of Directors and Key Managerial personnel - Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

	Particulars	Secured Loan excluding deposits	Unsecured Loan	Deposits*	Total Indebtedness
I.	**Indebtedness at the beginning of the financial year**				
i.	Principal Amount	29,710	2,400	670	32,780
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	4,814	-	-	4,814
Total (i+ii+iii)		**34,524**	**2,400**	**670**	**37,594**
Change in Indebtedness during the financial year					
Addition		200	-	-	200
Reduction		(4,542)	(1,500)	-	(6,042)
Net Change		(4,342)	(1,500)	-	(5,842)
II.	**Indebtedness at the end of the financial year**				
i.	Principal Amount	25,368	900	660	26,928
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	404	-	-	404
Total (i+ii+iii)		**25,772**	**900**	**660**	**27,332**

* These are deposits received from customers.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time director and/or Manager

(₹ in Lakhs)

Particulars	Managing Director	Whole-time Director
Gross Salary		
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	36.00
b) Value of perquisites u/s17(2) Income-tax Act,1961	Nil	-
c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	-
Stock Option	Nil	-
Sweat Equity	Nil	-
Commission as % of profit- others, specify	Nil	-
Others, please specify	Nil	-
Total (A)	**Nil**	**36.00**
Ceiling as per the Act (Schedule V)	Nil	

B. Remuneration to other directors **(₹ in Rupees)**

Particulars of Remuneration		Name of the Director				Total
		Sri O. Swaminatha Reddy	Sri K.Thanu Pillai	Sri VH Ramakrishnan	Mrs.O. Rekha	
1.	**Independent Director**					
	Fee for attending Board/ Committee meetings	20,000	1,60,000	1,60,000	80,000	4,20,000
	Commission	-	-	-	-	
	Others	-	-	-	-	
	Total (1)	**20,000**	**1,60,000**	**1,60,000**	**80,000**	**4,20,000**
2.	**Non-Executive Director**					
	Fee for attending Board/ Committee meetings	-	-	-	-	
	Commission	-	-	-	-	
	Others	-	-	-		
	Total (2)	**-**	**-**	**-**	**-**	
	Total (B) (1+2)	**20,000**	**1,60,000**	**1,60,000**	**80,000**	**4,20,000**
	Total Managerial Remuneration	-	-	-	0	
	Overall Ceiling as per t he Act (Schedule V)	-	-	-	-	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Particulars	Mr. K.Prasad	Mr.R. Soundararajan
Gross Salary	Nil	Nil
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
b) Value of perquisites u/s17(2) Income-tax Act,1961	Nil	Nil
c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
Stock Option	Nil	Nil
Sweat Equity	Nil	Nil
Commission as % of profit - others, specify	Nil	Nil
Others: Medical	Nil	Nil
Cars	Nil	Nil
Total (A)	Nil	Nil
Ceiling as per the Act	Nil	Nil

VII. Penalties/Punishment/Compounding of Offences:

There were no penalties, punishments or compounding of offences during the year ended March 31, 2021.

Deloitte Haskins & Sells

Chartered Accountants
KRB Towers, Plot No. 1 to 4 & 4A
1st, 2nd & 3rd Floor,
Jubilee Enclave, Madhapur, Hyderabad-500 081
Tel: +91 40 7125 3600, Fax: +91 40 7125 3601

INDEPENDENT AUDITORS' REPORT

To The Members of **SAGAR CEMENTS (R) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SAGAR CEMENTS (R) LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Auditor's Response
Revenue recognition – Price Discounts (Refer Note 38 of the financial statements) • Revenue is measured net of discounts earned by customers on the Company's sales. • Due to the Company's presence across different marketing regions within the country and the competitive business environment, price equalizer discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which are collated periodically by the management and are prone to manual interventions. • Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price equalizer discounts. • Given the complexity involved in the assessment of price equalizer discounts and their periodic recognition against sales, the same is considered as key audit matter.	**Principal audit procedures performed:** • Assessed the appropriateness of the Company's accounting policies relating to price equalizer discounts by comparing with applicable accounting standards. • Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes. • Obtained and inspected, on a sample basis, supporting documentation for price equalizer discounts recorded and credit note issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. • Compared the historical trend of price equalizer discounts to sales made to determine the appropriateness of current year's discount charge.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis Report including Annexures, but does not include the financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Ganesh Balakrishnan
Partner
(Membership No.201193)
(UDIN: 21201193AAAADM4090)

Place: Hyderabad
Date: May 12, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sagar (R) Cements Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Ganesh Balakrishnan
Partner
(Membership No.201193)
(UDIN: 21201193AAAADM4090)

Place: Hyderabad
Date: May 12, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lender. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit falling under the purview of the provisions of section 73 to 76 of the Companies Act, 2013 during the year and does not have any unclaimed deposits, and hence reporting under clause (v) of the order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2011-12	1,875	1,739
Sales Tax and VAT Laws	Sales tax and VAT	High Court of Andhra Pradesh and Telangana	2008-11	80	80
Customs Act, 1962	Customs duty	CESTAT	2011-12 to 2012-13	112	112
Central Excise Act, 1944	Excise duty	Commissioner (Appeals)	2012-13 to 2014-15	211	211
		Commissioner (Appeals)	2016-17	311	-
		CESTAT	2013-14	92	92
Local Areas Act, 2001	Entry tax	High Court of Andhra Pradesh and Telangana	2016-17	27	21

There are no dues of Goods and Services Tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, moneys raised by way of term loans have been applied by the Company during the year for the purpose for which they were raised other than temporary deployment pending of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

Ganesh Balakrishnan
Partner
(Membership No.201193)
(UDIN: 21201193AAAADM4090)

Place: Hyderabad
Date: May 12, 2021

Sagar Cements (R) Limited
Balance Sheet as on March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	41,167	42,955
(b) Capital work-in-progress		308	322
(c) Intangible assets	3	9	10
(d) Right of use assets	4	4	25
(e) Financial assets			
- Other financial assets	5	267	345
(f) Deferred tax assets (net)	25	538	2,074
(g) Income tax assets (net)	25	176	155
(h) Other non-current assets	6	167	43
Total Non-current assets		**42,636**	**45,929**
Current assets			
(a) Inventories	7	3,231	3,513
(b) Financial assets			
(i) Trade receivables	8	2,769	4,190
(ii) Cash and cash equivalents	9	2,005	7
(iii) Bank balances other than cash and cash equivalents	10	362	69
(iv) Other financial assets	5	77	70
(c) Other current assets	6	1,025	1,093
Total Current assets		**9,469**	**8,942**
TOTAL ASSETS		**52,105**	**54,871**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	11,596	10,381
(b) Other equity	12	5,464	(4,671)
Total equity		**17,060**	**5,710**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	21,894	23,676
(ii) Lease liabilities	34	1	25
(iii) Other financial liabilities	14	1,753	1,625
(b) Provisions	15	123	123
(c) Other non-current liabilities	16	50	50
Total Non-current liabilities		**23,821**	**25,499**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	509	3,298
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		4	23
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,282	5,359
(iii) Lease liabilities	34	4	2
(iv) Other financial liabilities	14	3,428	9,150
(b) Provisions	15	61	47
(c) Other current liabilities	16	1,936	5,783
Total Current liabilities		**11,224**	**23,662**
Total Liabilities		**35,045**	**49,161**
TOTAL EQUITY AND LIABILITIES		**52,105**	**54,871**
Corporate information and significant accounting policies	1		
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place : Hyderabad
Date : May 12, 2021

For and on Behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN No. 00123870

S. Sahithi
Executive Director
DIN No. 07293511

R. Soundararajan
Company Secretary
M.No. F4182

K. Prasad
Chief Financial Officer

Place : Hyderabad
Date : May 12, 2021

Sagar Cements (R) Limited

Statement of profit and loss for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

	Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	17	37,678	35,061
II	Other Income	18	116	101
III	**Total Income (I + II)**		**37,794**	**35,162**
IV	**EXPENSES**			
	(a) Cost of materials consumed	19	4,500	4,490
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	847	(380)
	(c) Employee benefit expenses	21	1,200	1,093
	(d) Finance costs	22	3,413	3,985
	(e) Depreciation and amortisation expense	23	2,221	2,168
	(f) Power and fuel expenses		8,607	10,326
	(g) Freight and forwarding		7,859	8,191
	(h) Other expenses	24	4,765	4,581
	Total Expenses		**33,412**	**34,454**
V	**Profit before tax (III-IV)**		**4,382**	**708**
VI	**Tax Expense**			
	(a) Current tax	25	-	-
	(b) Deferred tax	25	1,536	1,209
	Total tax expense		**1,536**	**1,209**
VII	**Profit/ (loss) after tax (V-VI)**		**2,846**	**(501)**
VIII	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss -Remeasurements of the defined benefit plan		(1)	4
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1)
	Other comprehensive income for the year, net of tax		**(1)**	**3**
IX	**Total Comprehensive Income/(loss) for the year (VII + VIII)**		**2,845**	**(498)**
X	**Earnings per share (Face value of ₹ 10 each)**			
	Basic and Diluted	35	2.69	(0.81)
	Corporate information and significant accounting policies	1		
	See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place : Hyderabad
Date : May 12, 2021

For and on Behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN No. 00123870

S. Sahithi
Executive Director
DIN No. 07293511

R. Soundararajan
Company Secretary
M.No. F4182

K. Prasad
Chief Financial Officer

Place : Hyderabad
Date : May 12, 2021

Sagar Cements (R) Limited

Statement of changes in equity for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance at March 31, 2019	**10,381**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**10,381**
Changes in equity share capital during the year (Refer Note 37)	1,215
Balance at March 31, 2021	**11,596**

B. Other equity

Particulars	Reserves and surplus			Other items of other comprehensive income	Total other equity
	Securities premium	Deemed investment in equity	Retained earnings		
Balance as at March 31, 2019	**7,381**	**10,735**	**(22,257)**	**(32)**	**(4,173)**
Loss for the year	-	-	(501)	-	(501)
Other comprehensive income for the year (net of tax ₹ 1)	-	-	-	3	3
Balance as at March 31, 2020	**7,381**	**10,735**	**(22,758)**	**(29)**	**(4,671)**
Profit for the year	-	-	2,846	-	2,846
Other comprehensive income for the year (net of tax ₹ Nil)	-	-	-	(1)	(1)
Premium on Issue of Equity Shares (Refer Note 37)	7,290	-	-	-	7,290
Balance as at March 31, 2021	**14,671**	**10,735**	**(19,912)**	**(30)**	**5,464**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place : Hyderabad
Date : May 12, 2021

For and on Behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN No. 00123870

S. Sahithi
Executive Director
DIN No. 07293511

R. Soundararajan
Company Secretary
M.No. F4182

K. Prasad
Chief Financial Officer

Place : Hyderabad
Date : May 12, 2021

Sagar Cements (R) Limited

Statement of cash flows for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. Cash flow from operating activities				
Proift / (Loss) after tax for the year		**2,846**		**(501)**
Adjustments for:				
Tax expense	1,536		1,209	
Depreciation and amortisation expense	2,221		2,168	
Finance costs	3,413		3,985	
Interest income	(28)		(30)	
Expected credit loss allowance	73		63	
Provision for incentives receivable from government	84		-	
Unrealised loss on foreign currency transactions and translation	38		51	
Net (gain)/loss on fair value change in financial instruments	46		(47)	
Liabilities no longer required written back	(15)		(22)	
Advances written off	-	7,368	125	7,502
Operating profit before working capital changes		**10,214**		**7,001**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	1,348		(506)	
Inventories	282		377	
Other financial assets	(106)		(114)	
Other assets	(45)	1,479	367	124
Adjustments for increase / (decrease) in operating liabilites:				
Trade payables	(119)		(19)	
Other financial liabilities	(10)		113	
Provisions	14		35	
Other liabilities	967	852	1	130
Cash generated from operating activities		**12,545**		**7,255**
Less: Income tax paid		(21)		(1)
Net cash generated from operating activities		**12,524**		**7,254**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(529)		(1,092)	
Deposits not considered as Cash and cash equivalents				
- Placed	(656)		(497)	
- Matured	454		484	
Interest received	29		33	
Net cash used in investing activities		**(702)**		**(1,072)**

C. Cash flow from financing activities				
Repayment of Loan from holding company	(1,500)		(500)	
Proceeds from allotment of equity shares (Refer Note 37)	77		-	
Proceeds from loan from others	138		-	
Proceeds from non-current borrowings	200		3,643	
Repayment of non-current borrowings	(2,915)		(6,547)	
Proceeds of current borrowings (net)	(2,789)		67	
Repayment of lease liabilities	(28)		(25)	
Finance costs	(3,007)		(2,820)	
Net cash used in financing activities		**(9,824)**		**(6,182)**
Net increase in cash and cash equivalents (A+B+C)		**1,998**		**-**
Cash and cash equivalents at the beginning of the year		7		7
Cash and cash equivalents at the end of the year (Refer Note 9)		**2,005**		**7**
Note:				
Cash and cash equivalents comprises of:				
Cash in hand		-		-
Balances with banks		5		7
Deposits with banks		2,000		**-**
Cash and cash equivalents (Refer Note 9)		**2,005**		**7**

Sagar Cements (R) Limited

Statement of cash flows for the year ended March 31, 2021

All amounts are in ₹ lakhs unless otherwise stated

Reconciliations of liabilities from financing activities:

Particulars	As at April 01, 2020	Proceeds	Re-payment	Fair value changes	As at March 31, 2021
Long term borrowings (including current portion)	18,848	338	(4,415)	-	14,771
Short term borrowings	3,298	-	(2,789)	-	509
Total liabilities from financing activities	**22,146**	**338**	**(7,204)**	**-**	**15,280**
Particulars	**As at April 01, 2019**	**Proceeds**	**Re-payment**	**Fair value changes**	**As at March 31, 2020**
Long term borrowings (including current portion)	22,252	3,643	(7,047)	-	18,848
Short term borrowings	3,231	1,478	(1,411)	-	3,298
Total liabilities from financing activities	**25,483**	**5,121**	**(8,458)**	**-**	**22,146**

Reconciliation of lease liability:

Particulars	As at April 01, 2020	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2021
Lease liabilities	27	5	1	(28)	**5**
Particulars	**As at April 01, 2019**	**Recogni-tion on adoption of Ind AS 116**	**Finance cost accrued during the year**	**Payment of lease liabilities**	**As at March 31, 2020**
Lease liabilities	-	50	2	(25)	**27**

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place : Hyderabad
Date : May 12, 2021

For and on Behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN No. 00123870

S. Sahithi
Executive Director
DIN No. 07293511

R. Soundararajan
Company Secretary
M.No. F4182

K. Prasad
Chief Financial Officer

Place : Hyderabad
Date : May 12, 2021

Sagar Cements (R) Limited

Notes to the financial statements

1. Corporate information and significant accounting policies

(a) Corporate Information:

Sagar Cements (R) Limited ("the Company") was incorporated under the Companies Act, 1956 on August 30, 2007. The Company is engaged in the business of manufacture and sale of cement and generation and sale of power. The Company is a wholly owned subsidiary of Sagar Cements Limited with effect from August 2015. The name of the Company was changed from BMM Cements Limited to Sagar Cements (R) Limited with effect from March 28, 2017.

(b) Significant accounting policies

(i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company has consistently applied accounting policies to all periods.

(ii) Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for net realisable value in Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Functional and Presentation currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

(iv) Use of estimates and Judgements

In the application of the accounting policies, which are described in Note 1(b), the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and the associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- **Useful lives of property, plant and equipment and amortisation of intangible assets**

  Depreciation on property, plant and equipment and amortisation of intangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment and intangibles as estimated by the management. The management believes that depreciation and amortisation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment and intangible assets, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

- **Defined benefit plans**

  The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions relating to discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- **Evaluation of recoverability of deferred tax assets**

  Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- **Fair value measurement of Financial instruments**

  When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Provisions and contingencies**

  Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

- **Leases**

  Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives.The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Inventories**

  Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

- **Expected credit losses**

  The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

(v) Revenue recognition

The Company derives revenue from the sale of cement and recognizes when it transfers control over the goods to the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Generation of Power:

In case of power generation, revenue from sale of energy is recognized on accrual basis. Claims for delayed payment charges and any other claims, which the Company is entitled to, on grounds of prudence are accounted on admittance basis.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(vii) Government grants

Grants from the Government are recognized when there is reasonable assurance that:

a) The Company will comply with the conditions attached to them; and

b) The grant will be received.

(viii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement
- The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences expected to be maturing after 12 months from the date of balance sheet are classified as non-current.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

(ix) Taxation

Income tax expense represents the sum of current tax and deferred tax. Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(x) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Freehold land is not depreciated.

Capital works in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such Capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Plant and machinery other than continuous process plant	3 - 5 years
Electrical Equipment (Plant & Machinery)	15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Company follows the process of componentization for property, plant and equipment. Accordingly, the Company has identified a part of an asset as a separate component in whole asset value (beyond certain value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets / components of an asset. The Company uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/component of an asset.

Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

Land-Restoration:

The Company provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows. The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

(xi) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(xii) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Work-in-progress and finished goods include appropriate proportion of overheads.

The methods of determining cost of various categories of inventories are as follows:

Type of inventory	**Method**
Raw materials and coal	Weighted average method
Stores and spares and packing materials	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average method and including an appropriate share of applicable overheads.

(xiii) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, in bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method whereby profit/ (loss) after tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xiv) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

(xv) Financial Instruments:

(A) Initial recognition:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss.

(B) Subsequent measurement:

Non-derivative Financial Instruments:

a. **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. **Financial liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

e. Derivative Financial Instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not hold derivative financial instruments for speculative purposes.

(C) De-recognition of financial assets and liabilities:

a. Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss if such gain or loss would have otherwise been recognized in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

(xvi) Impairment of assets

a. Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in profit and loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

(xvii) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xviii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(xix) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments.

(xx) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xxi) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(xxii) Exceptional items:

An item of income or expense which by its size, nature or incidence requires disclosure to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

(xxiii) New Standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Sagar Cements (R) Limited

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2021	As at March 31, 2020
Land - freehold	2,742	2,742
Land-restoration	34	37
Buildings	3,690	3,842
Plant and machinery	32,163	33,428
Furniture and fittings	31	37
Office and other equipment	320	392
Electrical installations	1,942	2,180
Computers	15	14
Vehicles	230	283
Total	**41,167**	**42,955**

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

For the year 2020-21

Description of assets	Land – free hold	Land restoration	Buildings	Plant & machinery	Furniture and fittings	Office and other equipment	Electrical insta-llations	Computers	Vehicles	Total
I. Gross Block										
Opening Balance	**2,742**	**50**	**4,625**	**45,561**	**67**	**721**	**3,636**	**170**	**453**	**58,025**
Add: Additions	-	-	26	368	-	2	5	4	-	405
Less: Disposals	-	-	-	-	-	-	-	-	6	6
Balance as at March 31, 2021	**2,742**	**50**	**4,651**	**45,929**	**67**	**723**	**3,641**	**174**	**447**	**58,424**
II. Accumulated depreciation										
Opening Balance	**-**	**13**	**783**	**12,133**	**30**	**329**	**1,456**	**156**	**170**	**15,070**
Add: Depreciation expense	-	3	178	1,633	6	74	243	3	53	2,193
Less: Eliminated on disposal of assets	-	-	-	-	-	-	-	-	6	6
Balance as at March 31, 2021	**-**	**16**	**961**	**13,766**	**36**	**403**	**1,699**	**159**	**217**	**17,257**
Net block (I-II) Carrying value as at March 31, 2021	**2,742**	**34**	**3,690**	**32,163**	**31**	**320**	**1,942**	**15**	**230**	**41,167**
Carrying value as at March 31, 2020	2,742	37	3,842	33,428	37	392	2,180	14	283	42,955

Notes to the financial statements

For the year 2019-20

All amounts are in ₹ lakhs unless otherwise stated

Description of assets	Land – free hold	Land restoration	Buildings	Plant & machinery	Furniture and fittings	Office and other equipment	Electrical insta-llations	Computers	Vehicles	Total
I. Gross block										
Opening balance	**2,742**	**50**	**4,208**	**45,052**	**65**	**693**	**3,536**	**167**	**436**	**56,949**
Add: Additions	-	-	417	509	2	28	100	3	17	1,076
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**2,742**	**50**	**4,625**	**45,561**	**67**	**721**	**3,636**	**170**	**453**	**58,025**
II. Accumulated depreciation										
Opening balance	**-**	**10**	**617**	**10,535**	**24**	**253**	**1,219**	**152**	**117**	**12,927**
Add: Depreciation expense	-	3	166	1,598	6	76	237	4	53	2,143
Less: Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**-**	**13**	**783**	**12,133**	**30**	**329**	**1,456**	**156**	**170**	**15,070**
Net block (I-II) Carrying value as at March 31, 2020	**2,742**	**37**	**3,842**	**33,428**	**37**	**392**	**2,180**	**14**	**283**	**42,955**
Carrying value as at March 31, 2019	2,742	40	3,591	34,517	41	440	2,317	15	319	44,022

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles) with a carrying amount of ₹ 79,037 (March 31, 2020: ₹ 83,052) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari-passu second charge on the Company's current borrowings. Refer Note 13.
2. Vehicles with carrying amount of ₹ 204 (March 31, 2020: ₹ 223) are hypothecated to respective banks against vehicle loans.

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	As at March 31, 2021	As at March 31, 2020
3	**Intangible assets**		
	Computer software	9	10
	Total	**9**	**10**
	Computer Software		
	I. Gross Block		
	Opening Balance	139	139
	Add: Additions	-	-
	Less: Disposals	-	-
	Closing Balance	**139**	**139**
	II. Accumulated amortisation		
	Opening Balance	129	129
	Add: Amortisation expense	1	-
	Less: Eliminated on disposal of assets	-	-
	Closing Balance	**130**	**129**
	Net block (I-II)		
	Carrying Value	**9**	**10**
4	**Right of use assets**		
	Buildings	4	25
	Total	**4**	**25**
	Buildings:		
	I. Gross block		
	Opening Balance	**50**	**-**
	Add: Recognition on adoption of Ind AS 116	-	50
	Add: Additions	6	-
	Less: Deletion	-	-
	Closing Balance	**56**	**50**
	II. Accumulated depreciation		
	Opening Balance	**25**	**-**
	Add: Depreciation expense	27	25
	Closing Balance	**52**	**25**
	Net block (I-II)		
	Carrying Value	**4**	**25**

Note: Refer Note 34 on operating lease.

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	As at March 31, 2021	As at March 31, 2020
5	**Other financial assets (Unsecured, considered good)**		
	Non-current		
	Security deposits	196	144
	Financial benefit due to guarantee by parent company	62	101
	Balances held as margin money deposit against borrowings	9	100
	Total	**267**	**345**
	Current		
	Security deposits	63	9
	Advances to employees	3	3
	Interest accrued but not due	10	11
	Derivative assets	1	47
	Total	**77**	**70**
	Total Other financial assets	**344**	**415**
6	**Other assets (Unsecured, considered good)**		
	Non-current		
	Capital advances	130	35
	Prepaid expenses	30	1
	Balances with government authorities	7	7
	Total	**167**	**43**
	Current		
	Advances to suppliers and service providers	184	187
	Advances to related parties	79	-
	Prepaid expenses	112	79
	Balances with government authorities	7	100
	Incentives receivable from government		
	Unsecured, considered good	643	727
	Considered doubtful	84	-
	Less: Provision for incentives receivable from government	(84)	-
	Total	**1,025**	**1,093**
	Total Other assets	**1,192**	**1,136**

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Inventories (at lower of cost and net realisable value)**		
	Raw materials	693	329
	Coal	926	963
	Work-in-progress	274	847
	Stores and spares	867	668
	Packing materials	182	108
	Finished goods	221	495
	Total (A)	**3,163**	**3,410**
	Goods-in-transit:		
	Raw materials	2	-
	Coal	48	103
	Packing materials	18	-
	Total (B)	**68**	**103**
	Total inventories (A+B)	**3,231**	**3,513**
	Note: Refer Note 1(b)(xii) for basis of valuation and for details of inventories pledged refer Note 13.		
8	**Trade receivables**		
	Trade receivables considered good - Secured	198	370
	Trade receivables considered good - Unsecured	2,571	3,820
	Trade receivables - credit impaired	183	110
	Sub-total	**2,952**	**4,300**
	Less: Expected credit loss allowance	(183)	(110)
	Total trade receivables	**2,769**	**4,190**
	The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as as per the provision matrix. The ageing of the receivables is as follows:		
	Age of receivables		
	Particulars	**As at March 31, 2021**	**As at March 31, 2020**
	Within the credit period	2,096	2,852
	1-30 days past due	266	467
	31-60 days past due	24	88
	61-90 days past due	11	71

All amounts are in ₹ lakhs unless otherwise stated

	91-180 days past due	22	284
	More than 180 days past due	533	538
	Total	**2,952**	**4,300**

Note	Particulars	2020-21	2019-20
	Movement in expected credit loss allowance		
	Balance at the beginning of the year	110	47
	Add: Expected credit loss allowance	73	63
	Balance at the end of the year	**183**	**110**
	Particulars	**As at March 31, 2021**	**As at March 31, 2020**
9	**Cash and cash equivalents**		
	(a) Cash in hand	-	-
	(b) Balances with banks	5	7
	(c) Deposits with banks	2,000	-
	Total cash and cash equivalents	**2,005**	**7**
10	**Bank balances other than cash and cash equivalents**		
	Margin money deposits (Refer Note below)	362	69
	Total other bank balances	**362**	**69**
	Note: Margin money deposits are against bank guarantees and cash credit facilities.		

Note	Particulars	As at March 31, 2021		As at March 31, 2020	
		No. of shares	Amt.	No. of shares	Amt.
11	**Equity Share Capital**				
	Authorised:				
	Equity shares of ₹ 10 each	11,60,00,000	11,600	10,70,00,000	10,700
	Preference shares of ₹ 10 each	4,30,00,000	4,300	4,30,00,000	4,300
		15,00,00,000	15,000	15,00,00,000	15,000
	Issued, Subscribed and Fully Paid:				
	Equity shares ₹ 10 each	11,59,62,925	11,596	10,38,12,925	10,381

(a) Shares held by the holding company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Sagar Cements Limited	11,59,62,925	100%	10,38,12,925	100%

All amounts are in ₹ lakhs unless otherwise stated

(b) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Opening balance (Refer Note 37)	10,38,12,925	10,381	10,38,12,925	10,381
Shares issued during the year	1,21,50,000	1,215	-	-
Closing balance	**11,59,62,925**	**11,596**	**10,38,12,925**	**10,381**

(c) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

Note	Particulars	As at March 31, 2021	As at March 31, 2020
12	**Other equity**		
	Securities premium	14,671	7,381
	Deemed investment in equity	10,735	10,735
	Retained earnings	(19,912)	(22,758)
	Other items of other comprehensive income	(30)	(29)
	Total other equity	**5,464**	**(4,671)**
	Movement in other equity is as follows:		
	Securities premium		
	Opening Balance	7,381	7,381
	Premium on issue of equity shares (Refer Note 37)	7,290	-
		14,671	**7,381**
	Deemed investment in equity	**10,735**	**10,735**
	Retained earnings		
	(i) Opening balance	(22,758)	(22,257)
	(ii) Profit/ (loss) for the year	2,846	(501)
		(19,912)	**(22,758)**
	Other items of other comprehensive income		
	(i) Opening balance	(29)	(32)
	(ii) Other comprehensive income for the year	(1)	3
		(30)	**(29)**
	Total	**5,464**	**(4,671)**

All amounts are in ₹ lakhs unless otherwise stated

Nature of reserves:

(a) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium.

(b) Deemed investment in equity

Deemed investment in equity represents the gain on account of corporate guarantee given by Sagar Cements Limited and the equity portion of the 8% cumulative redeemable preference shares.

(c) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(d) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

Note	Particulars	As at March 31, 2021	As at March 31, 2020
13	**Non current borrowings ***		
	(Secured, at amortised cost)		
	(a) Term loans		
	Debentures (Refer Note(ii))	8,077	10,384
	Loans from banks (Refer Note (i))	2,636	3,273
	(b) Loans from holding company		
	8% Cumulative redeemable preference shares	11,181	10,019
	Total non-current borrowings	**21,894**	**23,676**

*Current maturities of non-current borrowings have been disclosed under the head "Other financial liabilities."

Note (i):

As at March 31, 2021:

Bank	Loan outstanding	Terms of repayment	Rate of interest
The Federal Bank Limited (Refer Note (a) below)	3,125	18 quarterly instalments	8.00%
State Bank of India (Refer Note (b) below)	144	13 monthly instalments	7.25%
Vehicle loans from banks/ financial institutions (Refer Note (c) below)	24	5 monthly instalments	9.50%
Less: Current maturities of non-current borrowings	(657)		
	2,636		

All amounts are in ₹ lakhs unless otherwise stated

As at March 31, 2020:

Bank	Loan outstanding	Terms of repayment	Rate of interest
The Federal Bank Limited (Refer Note (a) below)	3,624	22 quarterly instalments	9.00%
Vehicle loans from banks/ financial institutions (Refer Note (c) below)	77	17 monthly instalments	9.50%
Less: Current maturities of non-current borrowings	(428)		
	3,273		

Notes:

(a) Term loan is secured by first pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Director and corporate guarantee of Sagar Cements Limited and First pari-passu charge on shares of Sagar Cements (R) Limited held by Sagar Cements Limited subject to RBI Guidelines and undated cheques for the facility amount and Interest DSRA for 3 months.

(b) This term loan is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on entire property, plant and equipment of the Company including land and building and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director.

(c) Vehicle loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

Note (ii): Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 lakhs each) aggregating ₹ 15,000. Interest payable on the NCD's is @11.60%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly instalments of ₹ 1,154 starting from May 2019 onwards. The Company has paid two instalments during the current year, four instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the borrower company both present and future, and by second charge on the current assets of the company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Holding Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's. As per the agreement with the IFC, Company's obligation towards debt and interests from Holding Company are subordinate to the payment due to IFC against the NCD's.

All amounts are in ₹ lakhs unless otherwise stated

	Particulars	As at March 31, 2021	As at March 31, 2020
	Current borrowings (Secured, at amortised cost)		
	Loans repayable on demand		
	Cash credit facilities (Refer Notes below)	509	3,298
	Total	**509**	**3,298**

Notes:

1. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on entire property, plant and equipment of the Company including land and building and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The loans are repayable on demand and carries interest @ 7.90% p.a to 9.80% p.a. (2019-20: 10.65% p.a to 11.05% p.a.).
2. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 7.90% p.a to 8.95% p.a. (2019-20: 8.95% p.a.).

Note	Particulars	As at March 31, 2021	As at March 31, 2020
14	**Other financial liabilities**		
	Non-current		
	Security deposits received	660	670
	Loan from others	193	55
	Loan from related party	900	900
	Total	**1,753**	**1,625**
	Current		
	Current maturities of non-current borrowings	2,965	4,236
	Interest accrued but not due on borrowings (Refer Note 37)	404	4,814
	Payables on purchase of property, plant and equipment	59	100
	Total	**3,428**	**9,150**
	Total other financial liabilities	**5,181**	**10,775**

All amounts are in ₹ lakhs unless otherwise stated

	Particulars	As at March 31, 2021	As at March 31, 2020
15	**Provisions**		
	Gratuity (Refer Note 31)	103	104
	Compensated absences (Refer Note 31)	81	66
	Total provisions	**184**	**170**
	Non-current		
	Gratuity	65	75
	Compensated absences	58	48
	Total	**123**	**123**
	Current		
	Gratuity	38	29
	Compensated absences	23	18
	Total	**61**	**47**
16	**Other Liabilities**		
	Non-current		
	Liability for land restoration	50	50
	Total	**50**	**50**
	Current		
	Advance from customers	1,044	495
	Advance from related parties (Refer Note 33 and 37)	-	4,814
	Statutory remittances	892	474
	Total	**1,936**	**5,783**
	Total other liabilities	**1,986**	**5,833**

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
17	**Revenue from operations**		
	Revenue from		
	- Sale of cement (Refer Note 38)	37,663	33,881
	- Sale of power	-	1,151
	Other operating income		
	- Sale of scrap	3	19
	- Insurance claims	8	8
	- Others	4	2
	Total revenue from operations	**37,678**	**35,061**
18	**Other income**		
	Interest Income on financial assets carried at amortised cost	28	30
	Rent received from employees	7	2
	Net gain on foreign currency transactions and translation	66	-
	Net gain on fair value change in financial instruments	-	47
	Liabilities no longer required written back	15	22
	Total other income	**116**	**101**
19	**Cost of materials consumed**		
	Opening stock	329	271
	Add: Purchases	4,864	4,548
	Less: Closing stock	693	329
	Cost of materials consumed	**4,500**	**4,490**
	Details of materials consumed		
	Limestone	1,794	1,786
	Laterite	1,104	1,070
	Iron-ore sludge	226	274
	Gypsum	434	469
	Fly ash	458	418
	Slag	382	364
	Others	102	109
	Total	**4,500**	**4,490**
20	**Changes in inventories of finished goods, and work-in-progress**		
	Inventories at the beginning of the year:		
	Finished goods	495	283
	Work-in-progress	847	679
		1,342	**962**

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Inventories at the end of the year:		
	Finished goods	221	495
	Work-in-progress	274	847
		495	**1,342**
	Net decrease/ (increase)	**847**	**(380)**
21	**Employee benefit expenses**		
	Salaries and wages, including bonus	1,042	932
	Contribution to provident and other funds (Refer Note 31)	95	92
	Staff welfare expenses	63	69
	Total employee benefit expenses	**1,200**	**1,093**
22	**Finance cost**		
	Interest expense	1,868	2,391
	Interest on deposits from dealers	24	32
	Interest on lease liability	1	2
	Other borrowing cost	1,520	1,560
	Total finance cost	**3,413**	**3,985**
23	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (Refer Note 2)	2,193	2,143
	Depreciation on right of use assets (Refer Note 4 and 34)	27	25
	Amortisation of intangible assets (Refer Note 3)	1	-
	Total depreciation and amortisation expense	**2,221**	**2,168**
24	**Other expenses**		
	Packing material consumed	1,368	1,419
	Stores and spares consumed	957	891
	Repairs and maintenance		
	Buildings	2	-
	- Plant and equipment	830	765
	- Others	233	145
	Selling expense	462	485
	Expected credit loss allowance	73	63
	Provision for incentives receivable from government	84	-
	Advances written off	-	125
	Rent	42	44
	Insurance	84	69

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Rates and taxes	33	31
	Payment to Auditors (Refer Note (i) below)	21	18
	Travelling expenses	68	76
	Security services	110	119
	Donations and contributions	7	6
	Legal and professional	259	253
	Administrative expenses	31	26
	Printing and stationery	3	3
	Communication	10	10
	Net Loss on foreign currency transactions and translation	-	43
	Director sitting fees	7	3
	Miscellaneous expenses	45	9
	Net loss on fair value change in financial instruments	46	-
	Captive consumption of Cement	(10)	(22)
	Total other expenses	**4,765**	**4,581**
	Note (i):		
	Payment to Auditors (net of taxes) comprises:		
	For audit	11	11
	For limited review	5	5
	For other services	5	2
	Total	**21**	**18**
25	**Income tax expense**		
	(a) Income tax recognized in the statement of profit and loss		
	Current tax:		
	In respect of current year	-	-
	Total current tax	**-**	**-**
	Deferred tax		
	In respect of current year origination and reversal of temporary differences	1,536	1,209
	Total deferred tax	**1,536**	**1,209**
	Total tax expense	**1,536**	**1,209**
	(b) Reconciliation of effective tax rate:		
	Profit/ (loss) before tax (A)	4,382	708
	Statutory tax rate in India (B)	27.82%	27.82%
	Expected tax expense (C = A*B)	1,219	197

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Effect on expenses disallowed under Income Tax Act, 1961	348	305
	Effect on change in depreciation while filing Income tax return	(4)	-
	Effect on change in Income tax rate	-	680
	Others	(27)	27
	Total	317	1,012
	At the effective income tax rate	1,536	1,209
	Total Tax expense	1,536	1,209

(c) Movements in deferred tax assets and liabilities for the year 2020-21:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	(Recognised) / Reversed through other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(6,710)	(186)	-	(6,896)
Provision for employee benefits	45	6	-	51
Carry forward business unabsorbed depreciation and business losses	8,708	(1,399)	-	7,309
Expected credit loss allowance	31	43	-	74
Total Deferred tax asset (Net)	**2,074**	**(1,536)**	**-**	**538**

Movements in deferred tax assets and liabilities for the year 2019-20:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	(Recognised) / Reversed through other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(8,090)	1,380	-	(6,710)
Provision for employee benefits	49	(3)	(1)	45
Carry forward business unabsorbed depreciation and business losses	11,309	(2,601)	-	8,708
Expected credit loss allowance	16	15	-	31
Total Deferred tax asset (Net)	**3,284**	**(1,209)**	**(1)**	**2,074**

All amounts are in ₹ lakhs unless otherwise stated

(d) Current tax assets and liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (Net of provision of ₹ Nil (2019-20: ₹ Nil)	176	155
Income tax liabilities	-	-
Net Income tax assets	**176**	**155**

26. COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Company has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial results in determining the possible effects on the Inventories, receivables, deferred tax assets and other current assets, that may result from the COVID-19 pandemic. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

27. Contingent liabilities and capital commitments:

a) Contingent liabilities:

Based on legal opinion/advice obtained, no financial implication to the Company with respect to the following is perceived as on the Balance Sheet date:

(i) Claims against the Company not acknowledged as debt:

Particulars	As at March 31, 2021	As at March 31, 2020
Direct tax matters	1,875	1,875
Indirect tax matters	521	521

(ii) The Finance Minister of Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 311 (As at March 31, 2020: ₹ 311) from March 2016 to September 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order the amount of ₹ 311 was reversed, but under protest. As at March 31, 2021, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Company.

All amounts are in ₹ lakhs unless otherwise stated

(iii) The Honourable Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications from the judiciary/ department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

b) Capital commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	973	508

28. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	4	23
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

All amounts are in ₹ lakhs unless otherwise stated

The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

29. Financial Instruments:

The significant accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xv) to the financial statements.

A) Capital Management:

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 13 and 14 offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (Refer Note below)	26,461	32,165
Cash and bank balances	2,367	76
Net debt	24,094	32,089
Total equity	17,060	5,710
Net debt to equity ratio	1.41	5.62

Note: Debt is defined as current and non-current borrowings as described in Notes 13 and 14.

B) Categories of Financial Instruments:

The carrying value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	1	47

All amounts are in ₹ lakhs unless otherwise stated

Measured at amortised cost		
(i) Trade receivables	2,769	4,190
(ii) Cash and cash equivalents	2,005	7
(iii) Other bank balances	362	69
(iv) Other financial assets	343	368
Total Financial assets	**5,480**	**4,681**

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Financial Liabilities		
Measured at amortised cost		
(i) Borrowings	25,368	31,210
(ii) Trade payables	5,286	5,382
(iii) Lease liabilities	5	27
(iv) Other financial liabilities	2,216	6,539
Total Financial liabilities	**32,875**	**43,158**

C) Financial risk management objectives:

The Company's corporate finance function monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks through continuous monitoring on day to day basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the Company's management which monitors risks and policies implemented to mitigate risk exposures.

D) Market risk:

The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company seeks to minimize the effect of this risk through continuous monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

All amounts are in ₹ lakhs unless otherwise stated

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's: Loss for the year ended March 31, 2021 would decrease/increase by ₹ 71 (for the year ended March 31, 2020: decrease/increase by ₹ 106). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows:

Currency	No. of contracts	Amount in foreign currency	Amount in ₹	Buy/ Sell	Cross currency
USD	4	22,40,000	1,655	Buy	Rupees

E) Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty, except for three customers against whom the concentration of credit risk did not exceed 15% of gross monetary assets. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets. The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

All amounts are in ₹ lakhs unless otherwise stated

F) Liquidity Risk Management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities

Financing Facilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Secured bills acceptance facility, reviewed annually		
- amount used	101	1,162
- amount unused	3,399	338
Total	**3,500**	**1,500**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	509	3,298
- amount unused	3,491	702
Total	**4,000**	**4,000**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	3,293	3,701
- amount unused	-	-
Total	**3,293**	**3,701**

All amounts are in ₹ lakhs unless otherwise stated

Secured non-convertible debentures - amount used - amount unused	 10,385 -	 12,692 -
Total	**10,385**	**12,692**
Secured loan from holding company - amount used - amount unused	 - -	 1,500 -
Total	**-**	**1,500**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows:

Particulars	**< 1 Year**	**1 – 2 years**	**> 2 years**
Trade Payables	5,286	-	-
Lease liabilities	4	1	-
Other financial liabilities	463	345	1,408
Borrowings (including current maturities of non-current borrowings)	3,474	3,069	18,825

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows:

Particulars	**< 1 Year**	**1 – 2 years**	**> 2 years**
Trade Payables	5,382	-	-
Lease liabilities	2	25	-
Other financial liabilities	4,914	7	1,618
Borrowings (including current maturities of non-current borrowings)	7,534	2,832	20,844

30. Disclosure as per regulation 53(f) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The details of loans and advances taken from holding Company:

Particulars	**Balance as at**		**Maximum amount outstanding during the year ended**	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Sagar Cements Limited	-	6,314	6,486	7,420

All amounts are in ₹ lakhs unless otherwise stated

31. Employee Benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan

Provident fund:

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated to ₹ 61 (2019-20: ₹ 59).

Employee State Insurance:

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated to ₹ 1 (2019-20: ₹ 2).

(ii) Defined benefit plan

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as per actuarial valuation as at March 31, 2021 and March 31, 2020:

All amounts are in ₹ lakhs unless otherwise stated

(a) The principal assumptions used for the purposes of actuarial valuations were as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	6.92%	6.73%
Expected rate of return on plan asset	7.26%/7.60%	7.65%
Expected average remaining working lives of employees	19.70 years	20.65 years
Rate of escalation in salary	10%	10%
Attrition rate	10%	10%

(b) Components of Defined benefit costs recognized in profit and loss and other comprehensive income:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	27	26
Interest expense	9	20
Expected return on plan assets	(3)	(14)
Other adjustments	1	-
Defined benefit cost included in profit and loss	**34**	**32**
Re-measurement effects recognized in Other Comprehensive Income (OCI)		
Actuarial loss/ (gain)	1	(4)
Components of defined benefit costs recognized in OCI	**1**	**(4)**

(c) Key Results - Reconciliation of fair value of assets and obligations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Present value of funded defined benefit obligations	174	144
Fair value of plan assets	(71)	(40)
Net liability arising from defined benefit obligation	103	104

All amounts are in ₹ lakhs unless otherwise stated

(d) Movement in present value of defined benefits obligation are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation at the beginning of the year	144	104
Current service cost	27	26
Interest cost	9	20
Re-measurements - Actuarial loss / (gain)	1	(4)
Benefits paid out of plan assets	(7)	(2)
Defined benefit obligation at the year end	**174**	**144**

(e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within 1 year	38	29
1 – 2 years	17	11
2 – 3 years	14	15
3 – 4 years	16	11
4 – 5 years	13	13
5 – 10 years	60	49

(f) Movement in fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening fair value of the plan assets	40	21
Expected return on plan assets	3	14
Contributions from the employer	35	7
Benefits paid out of plan assets	(7)	(2)
Fair value of plan asset at the year end	**71**	**40**

(g) Sensitivity Analysis:

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation at the period end by one percentage, keeping all other actuarial assumptions constant.

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	163	187	134	155
Effect of 1% change in assumed salary rate	187	162	155	134

Effect of 1% change in assumed attrition rate	172	177	142	146

The Company is expected to contribute ₹ 103 lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount Rate	6.92%	6.73%
Salary escalation rate	10%	10%
Attrition rate	10%	10%
Mortality tables	IALM (2012-14) (Ultimate)	IALM (2012-14) (Ultimate)

The Company has made provision for compensated absences based on the actuarial valuation.

32. Segment Reporting:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company has identified business segments as its reportable segment. Business segments are primarily cement manufacturing segment and power generation segment. No operating segments have been aggregated in arriving at the reportable segments of the Company. Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, plant and equipment is being allocated to reportable segment distinctly identified to power is allocated to power segment and remaining is allocated to cement segment.

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Business segments				Total	
	Manufacturing of cement		Power generation			
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	**37,678**	**33,910**	**3,662**	**5,149**	**41,340**	**39,059**
Less: Inter-segment revenue	-	-	3,662	3,998	3,662	3,998
Total	**37,678**	**33,910**	**-**	**1,151**	**37,678**	**35,061**
Segment result	**7,828**	**4,808**	**(61)**	**(145)**	**7,767**	**4,663**
Unallocable:- Finance Costs					3,413	3,985
- Interest Income					(28)	(30)
Profit/ (Loss) before taxes					**4,382**	**708**
Tax expense					(1,536)	(1,209)
Profit/ (Loss) for the year					**2,846**	**(501)**

Particulars	Business segments				Total	
	Manufacturing of cement		Power generation			
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment assets	**37,133**	40,071	**11,810**	12,283	**48,943**	52,354
Un-allocable assets					3,162	2,517
Total assets					**52,105**	**54,871**
Segment liabilities	**8,157**	11,848	**23**	334	**8,180**	12,182
Un-allocable liabilities					26,865	36,979
Total liabilities					**35,045**	**49,161**

Revenue from major Customers:

The Company is not reliant on revenues from transactions with any single external customer and did not receive 10% or more of its revenues from transactions with any single customer for the period ended March 31, 2021 and March 31, 2020.

All amounts are in ₹ lakhs unless otherwise stated

33. Related Party Disclosures

The list of related parties of the Company is given below:

Name	Relationship
Sagar Cements Limited	Holding Company
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	Chairman of the Board of Directors
Onteddu Swaminatha Reddy	Chairman of the Board of Directors (Upto June 24, 2020)
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Director
S. Sahithi	Executive Director (ED)
Onteddu Rekha	Director
Valliyur Hariharan Ramakrishnan	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
R V Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence

Summery of the transactions and balances with the above parties are as follows:

Nature of transaction	Party name	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of packing materials	Panchavati Polyfibres Limited	1,484	1,412
Sale of power	Sagar Cements Limited	-	1,083
Purchase of coal	Sagar Cements Limited	-	947
Purchase of scrap	Sagar Cements Limited	1	2
Services received	Sagarsoft (India) Limited	21	14
	Sagar Cements Limited	360	360
	Total	**381**	**374**

All amounts are in ₹ lakhs unless otherwise stated

Rent expenses paid	Dr. S. Anand Reddy	7	7
	S. Sreekanth Reddy	7	7
	S. Vanajatha	7	7
	Total	**21**	**21**
Reimbursement of expenses paid	Sagar Cements Limited	4	2
Interest expense on loan	Sagar Power Limited	99	99
Interest expense on loan, corporate guarantee and cumulative redeemable preference shares	Sagar Cements Limited	1,332	1,313
Loans and advances taken	Sagar Cements Limited – Advance	-	3,477
Repayment against loan taken	Sagar Cements Limited	1,500	500

Compensation to key managerial personnel is as follows:

Nature of the transaction	Party Name	For the year ended	
		March 31, 2021	March 31, 2020
Short-term benefits	MD, ED, CS and CFO	36	36
Sitting fee	Chairman, MD, ED, CS, CFO and Directors	7	3

Outstanding balances:

Nature of the balance	Party name	As at March 31, 2021	As at March 31, 2020
Borrowings	Sagar Cements Limited	-	1,500
Advances received	Sagar Cements Limited	-	4,814
Advances given	Sagar Cements Limited	79	-
Interest accrued but not due	Sagar Cements Limited	-	4,293
Interest payable	Sagar Power Limited	-	11
Trade payables	Sagarsoft (India) Limited	-	1
	Panchavati Polyfibres Limited	207	410
	Total	**207**	**411**

All amounts are in ₹ lakhs unless otherwise stated

8% Cumulative Redeemable Preference Shares	Sagar Cements Limited	11,181	10,019
Loans	Sagar Power Limited	900	900
Corporate guarantee taken	Sagar Cements Limited	19,643	19,643

34. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The Company's lease asset classes primarily consist of leases for buildings. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations.

All amounts are in ₹ lakhs unless otherwise stated

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has recorded right of use asset equal to lease liability, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 50 and a lease liability of ₹ 50.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	25	-
Recognition on adoption of Ind AS 116	-	50
Additions	6	
Depreciation	(27)	(25)
Closing Balance	**4**	**25**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	27	-
Recognition on adoption of Ind AS 116	-	50
Additions	6	-
Finance cost accrued during the year	1	2
Payment of lease liabilities	(29)	(25)
Closing Balance	**5**	**27**

The following is the break-up of current and non-current lease liabilities as at March 31, 2021 and March 31, 2020:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Non-current lease liabilities	1	25
Current lease liabilities	4	2
Total	**5**	**27**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on discounted basis

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within one year	4	2
After one year but not more than five years	1	25

35. Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/ (loss) for the period (₹ in lakhs)	2,846	(501)
Weighted average number of equity shares outstanding	105,677,035	103,812,925
Earnings per share:		
Basic and Diluted (in ₹)	2.69	(0.81)

36. During the year 2015-16, the holding Company gave corporate guarantee for the loans availed by the Company and on account of the same, the loans were given at concessional rate to the Company. The fair value of the corporate guarantee aggregating to ₹ 401 (March 31, 2020: ₹ 401) has been accounted as deemed investment in equity.

37. The Company has issued 1,21,50,000 equity shares of Rs.10/- each at a premium of Rs.60/- per share to Sagar Cements Limited, Holding Company. Consequent to the issue of fresh equity shares, total no. of equity shares increased to 11,59,62,925 and paid up share capital increased to ₹ 11,596. The above shares were issued against the interest accrued payable on unsecured loan and advances payable of an amount of ₹ 3,614 and ₹ 4,814 respectively and balance share issue amount of ₹ 77 received in cash.

38. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contract price	42,610	37,931
Less: Discounts and incentives	(4,947)	(4,050)
Revenue as per statement of profit and loss	37,663	33,881

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

All amounts are in ₹ lakhs unless otherwise stated

- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

39. The Board of Directors of the Company in their meeting held on April 26, 2021 have approved the Scheme of Amalgamation of the Company with its parent company Sagar Cements Limited with effect from March 30, 2021 (Appointed date). The scheme is subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme from the concerned authorities, the undertakings of the Company shall get transferred to and vested in the Sagar Cements Limited (Parent Company) with effect from March 30, 2021 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval from authorities, the effect of merger has not been given in the financial statements of the Company.

40. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into affect has not been notified. The Company will assess the impact of the code when it comes into effect and will any related impact in the period the code becomes effective.

41. These financial statements were approved by the Company's Board of Directors on May 12, 2021.

For and on Behalf of the Board of Directors

Dr. S. Anand Reddy Managing Director DIN No. 00123870	**S. Sahithi** Executive Director DIN No. 07293511
R. Soundararajan Company Secretary M.No. F4182	**K. Prasad** Chief Financial Officer

Place : Hyderabad
Date : May 12, 2021

SAGAR CEMENTS (R) LIMITED

Registered Office: Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033
CIN: U40300TG2007PLC134320
Tel.No.: +91-40-23351571 Website: www.sagarcements-r.in

ATTENDANCE SLIP

14th Annual General Meeting of the company, to be held on Wednesday, the 1st day of September, 2021 at 11.00 a.m. at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033.

Folio No.	DP ID No.	Client ID No.

I/We hereby record my/our present at the 14th Annual General Meeting of the company, to be held on Wednesday, the 1st day of September, 2021 at 11.00 a.m.

Name of the Member : ____________________
Signature : ____________________
Name of the Proxyholder : ____________________
Signature : ____________________
Number of Shares : ____________________

Notes:
1. Only Member / Proxyholder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member / Proxyholder, sign this Attendance Slip and hand it over, duly signed at the entrance of the Meeting hall.
3. A Member / Proxyholder attending the meeting should bring his/her copy of the Annual Report for reference at the meeting.

SAGAR CEMENTS (R) LIMITED

Registered Office: Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033
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PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) : ____________________

Registered address : ____________________

E-mail Id : ____________________

Folio No. / Client ID No. : ____________ DP ID No. ____________

I/We, being the member(s) holding: ____________ shares of Sagar Cements (R) Limited, hereby appoint:

1. Name: ____________ Email ID: ____________
   Address: ____________
   ____________ Signature ____________ or failing him;
2. Name: ____________ Email ID: ____________
   Address: ____________
   ____________ Signature ____________ or failing him;
3. Name: ____________ Email ID: ____________
   Address: ____________
   ____________ Signature ____________

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the company, to be held on Wednesday, the 1st day of September, 2021 at 11.00 a.m. at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Description of Resolution
1	To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2021 together with the reports of the Directors and Auditors thereon.
2	To re-appoint the retiring director, Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation and being eligible, offers himself for re-appointment as director.
3	Re-appointment of auditors.
4	Ratification of remuneration payable to the Cost Auditors.
5	Re-appointment of Dr.S.Anand Reddy (DIN: 00123870) as Managing Director of the company.

Please affix Re.1/- Revenue Stamp

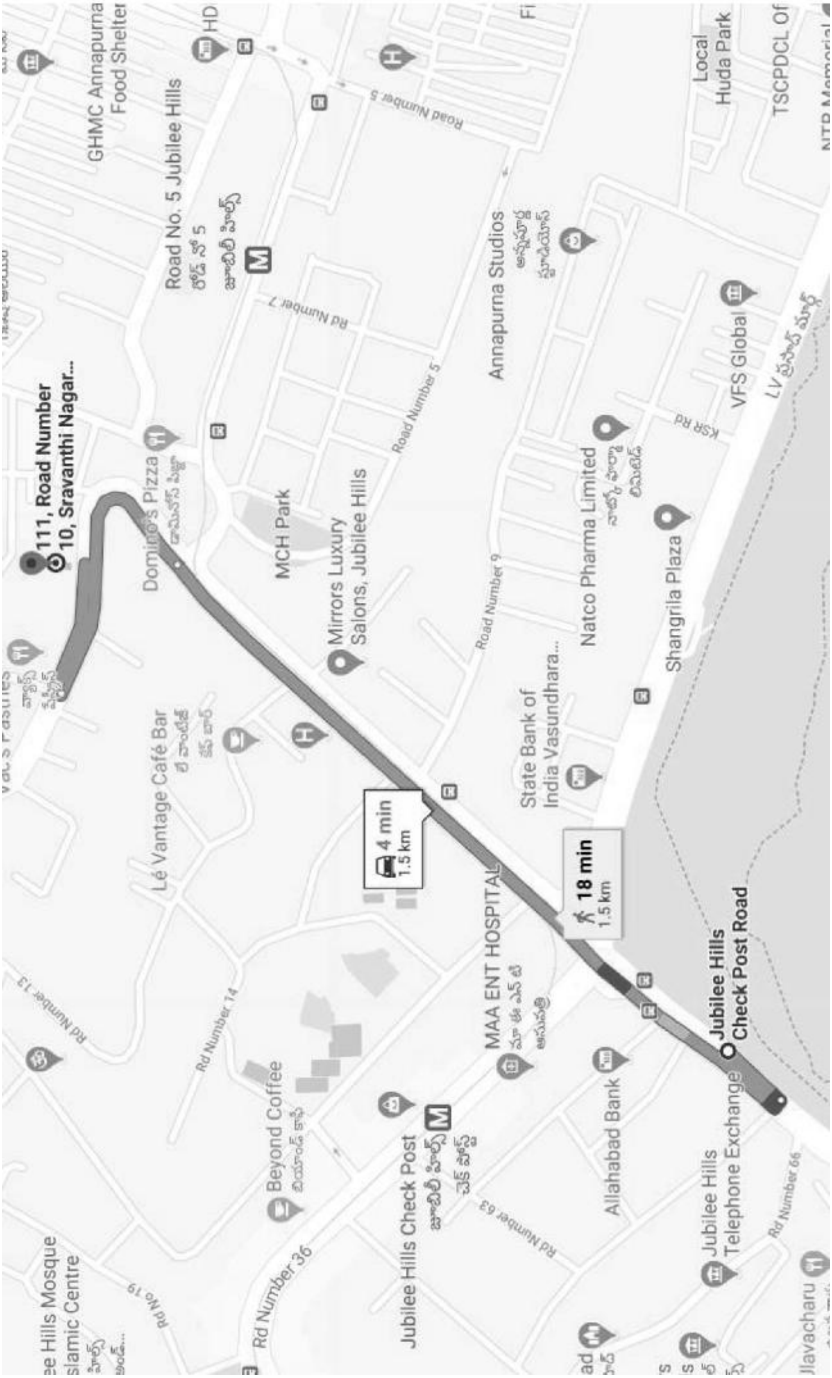
Signed this _____ day of _______________ 2021

Signature of shareholder _________________ Signature of Proxyholder(s) ________________

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. The proxy need not be a member of the company.

Route Map


111, Road Number
10, Sravanthi Nagar...
Jubilee Hills
Check Post Road
4 min
1.5 km
18 min
1.5 km
Domino's Pizza
MCH Park
Mirrors Luxury
Salons, Jubilee Hills
Le Vantage Café Bar
Road No. 5 Jubilee Hills
GHMC Annapurna
Food Shelter
Annapurna Studios
Natco Pharma Limited
Shangrila Plaza
State Bank of
India Vasundhara...
VFS Global
MAA ENT HOSPITAL
Beyond Coffee
Jubilee Hills Check Post
Allahabad Bank
Jubilee Hills
Telephone Exchange
Local
Huda Park
TSCPDCL Of
Road Number 5
Rd Number 7
Road Number 9
KSR Rd
Rd Number 13
Rd Number 14
Rd Number 36
Rd Number 63
Rd Number 66
Rd No 19