

Directors' report

Dear Members

Your Directors are pleased to present their Thirty Ninth Report together with the audited Standalone and Consolidated financial statements of the Company for the year ended 31st March 2020.

Financial Results

This discussion on the financial condition and results of operations of your Company should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (R) Limited, Satguru Cement Private Limited and Jajpur Cements Private Limited for the year ended 31st March 2020, which are summarised below:

	Stand-alone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Total income	86,390	91,707	1,17,918	1,22,043
Total expenses	81,767	88,000	1,12,951	1,19,723
Profit before tax	4,623	3,707	4,967	2,320
Total Tax	1,150	1,045	2,314	961
Profit after Tax	3,473	2,662	2,653	1,359
Other Comprehensive Income	(42)	(165)	(39)	(186)
Total Comprehensive Income	3,431	2,497	2,614	1,173
Basic & Diluted Earnings per share of ₹ 10 each	16.17	13.05	12.36	6.66

₹ In Lakhs

Performance

Subdued demand, compounded by the "covid-19" effect in the far end of the financial year 2019-20 resulted in a lackluster sales performance and a fall in revenue as compared to the previous year. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2019-20 have been furnished in the Management Discussion and Analysis Report as part of annexure to this report.

Dividend

Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business consideration of your company as well as the applicable regulatory requirements. With this background, your Board of Directors is pleased to recommend a dividend at ₹ 2.50 per equity share (25%) on the 2,35,00,000 equity shares of ₹ 10/- each of your company. This would result in a total outflow of ₹ 587.50 Lakhs

Transfer to reserves

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

Share Capital

With the conversion of the entire 31,00,000 warrants earlier allotted on a preferential basis into 31,00,000 equity shares of ₹ 10/- each at a price of ₹ 730/-, per share, which

includes a premium of ₹ 720/- per share, the paid up share capital of your company now stands at ₹ 23,50,00,000/- divided into 2,35,00,000 equity shares of ₹ 10/- each,

Your Board of Directors is pleased to recommend a dividend at ₹ 2.50 per equity share (25%) on the 2,35,00,000 equity shares of ₹ 10/- each of your company.

Utilisation of funds collected through issue of warrants

Pursuant to the approval accorded by you at the Extraordinary General Meeting held on 8th January 2019, your board had allotted 31,00,000 warrants at an issue price of ₹ 730/- per warrant. Each of these warrants was convertible at the option of the warrant holders concerned into 1 equity share of ₹ 10/- each at a premium of ₹ 720 per share within a period of 18 months from the date of allotment of the said warrants. Your company has raised a sum of ₹ 226.30 Crores through the above allotment and the same is being utilised, inter-alia, for investment in the subsidiary companies to part fund the setting up of a fully integrated green field cement plant of 1 MTPA capacity in Madhya Pradesh and a grinding station of 1.5 MTPA capacity in Odisha.

Further details as required under Regulation 32(7A) of the SEBI (LODR) Regulations 2015 regarding the collection and utilisation of the funds referred to as on 31st March 2020, have been given elsewhere in the report on corporate governance, which forms part of the Annual Report.

Subsidiaries, Joint Ventures and Associate Companies

In the year 2015 your company acquired the entire equity stake in BMM Cements Limited, which has since been re-named as Sagar Cements [R] Limited. This wholly-owned subsidiary has a cement plant of 1.25 Million MTs per annum capacity along with a coal based captive power plant of 25 MW capacity in Gudipadu Village in Ananthapur District, A.P.

Having successfully overcome the problems faced by this subsidiary at the time of its acquisition by Sagar Cements with regard to non-availability of limestone from its captive sources for its operations, the performance of this subsidiary is now on right track. It is currently operating at around 70% capacity. Its power unit is also operating at 47% capacity. As you are aware, the cement produced by this subsidiary is sold under the brand name "SAGAR CEMENT". With this subsidiary further consolidating itself and improving upon its operations, the investments made by your company in this subsidiary will prove to be beneficial to your company in the long run.

Your company has recently acquired majority stake in Satguru Cement Private Limited, which is currently implementing a green field integrated cement plant of 1 MTPA capacity with a waste heat recovery plant in Madhya Pradesh. Another whole owned subsidiary, Jajpur Cements Private Limited, is currently setting up a 1.5 MTPA capacity grinding station at Jajpur in Odisha.

Salient features of the financial of all the above mentioned subsidiaries have been given in Form AOC-1 as **Annexure 1** to this report.

Your Company does not have any Joint Ventures or Associate Companies.

Grinding unit in Bayyavaram

This grinding unit, located at Bayyavaram in Vizag District, post its acquisition by your company in the year 2016, has expanded its capacity from 0.18 MTPA to 1.5 MTPA. This unit utilises the surplus clinker available at your plant in Mattampally, for grinding into slag cement to cater to the markets in South Odisha and North Coastal districts of Andhra Pradesh where, with the identification of Vishakhapatnam and Kakinada in Andhra Pradesh and Bhubaneswar in Odisha for development as 'smart cities' under the Prime Minister's 'Smart Cities Mission', the focus is more on the investments in their infrastructure sector.

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 plants is presently catering to the markets in Telangana, Andhra Pradesh, Karnataka, Tamil Nadu and Maharashtra. South Odisha.

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 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.

As mentioned earlier, your company's subsidiaries, namely Satguru Cement Private Limited and Jajpur Cements Private Limited are setting up a fully integrated cement plant and a grinding unit in Madhya Pradesh and Odisha respectively and, barring unforeseen circumstances, both these projects are expected to be commissioned by September 2021. Cement to be produced from these plants will cater to demand in the Central and Eastern parts of India. However, till such time that these plants become operational and slow-down caused by the covid-19 impact is fully arrested, your company may have to continue to face the problems like rising input and distribution costs, despite the efforts being made by your company as mentioned above to mitigate the same.

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

Human resource development and Industrial Relations

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

Your company is organising training programmes wherever required for the employees concerned to improve their skill. They are also encouraged to participate in the seminars organised by the external agencies related to the areas of their operations.

Your company continues to focus on attracting and retaining competent personnel and providing a holistic environment where they get opportunities to grow and realise their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

Sexual harassment

Regarding the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013, your company has an Internal Complaints Committee. No complaints were received or disposed off during the year under the above Act and no complaints were pending either at the beginning or at the end of the year.

Awards and Recognitions

Your company has already achieved ISO Certification ISO 9001:2008 for Quality Management System Standard, ISO 14001:2004 for Environmental Management System Standard and OHAS 18001:2007 for Occupational Health and Safety Management System Standard.

As the shareholders are aware your company's Laboratory at its Plant in Mattampally is the recipient of the Accreditation by the National Accreditation Board for Testing and Calibration Laboratories (NABL), which is the sole accreditation body for testing and calibration laboratories under the aegis of Department of Science and Technology, Government of India.

Directors Responsibility Statement

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made 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.

Directors and Key Managerial Personnel

Shri. O. Swaminatha Reddy, who had associated himself with your company as its Chairman for nearly four decades resigned from the Board on 24th June 2020. Your Board places on record the contributions made him to the deliberation of your Board, which are enormous and praise worthy. Your Board wishes him a healthy and active life in the years to come.

Shri. K. Thanu Pillai, one of the independent directors of the company has since been appointed as Chairman of the Board/Company.

Your Board, pursuant to the recommendation made by its Nomination and Remuneration Committee, has appointed Smt. O. Rekha as an Additional Director and as an Independent Director to hold office for a period of 5 years

Shri. O. Swaminatha Reddy, who had associated himself with your company as its Chairman for nearly four decades resigned from the Board on 24th June 2020.

with effect from 30th June 2020. This appointment, apart from bringing fresh talent to the Board, will also fulfill the mandatory requirement to have a woman Independent Director on the Board of your Company. This appointment is subject to approval of the shareholders.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr. S. Anand Reddy and Shri. John-Eric Bertrand will be retiring by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment.

Necessary resolutions seeking approval of the members for all the above said appointment/re-appointments have been incorporated in the notice of the annual general meeting of the company.

Excepting Smt. S. Rachana, who is a director in Panchavati Polyfibres Limited and R.V. Consulting Services Private Limited, whose transactions with the company have been reported under the related parties disclosure in the notes to the accounts, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

Independent Directors Declaration

The company has received necessary declarations from all the Independent Directors of the Company in accordance with Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence as laid out in section 149(6) of the said Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as an Independent Director during the year.

Number of meetings of the board

During the year 2019-20, 5 meetings of the board were held and the details of these meetings of the Board as well as its committee have been given in the corporate governance report, which forms part of the Annual Report.

Policy on directors' appointment and remuneration and other details

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act have been disclosed in the corporate governance report.

Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

5 meetings

of the board were held during the year 2019-20

Board evaluation

The Board of directors have carried out an evaluation of its own performance and of its committees as well as its individual directors, on the basis of criteria such as composition of the board/committee structure, effectiveness, its process, information flow, functioning etc.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (FR No. 008072S), who were appointed as Statutory Auditors of the company by the Shareholders at their 34th Annual General Meeting held on 23rd September 2015 for a period of 5 years, will be holding their said office till the conclusion of the ensuing 39th Annual General Meeting. Subject to the approval of the shareholders and pursuant to the recommendation made by the Audit Committee, your Board has re-appointed the said firm as statutory auditors to hold office for a further term of 5 years. Necessary resolution seeking the shareholders' approval for the purpose has been included in the notice of the ensuing AGM.

Auditors' Report and Secretarial Auditors' Report

Auditors' Report

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

Secretarial Auditors' Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure 2**, which forms part of this report. There are no adverse remarks in the said report. Your company has complied with the Secretarial Standards applicable for holding Board and General Meetings.

Secretarial Standards

The company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Cost Auditors

M/s. Narasimha Murthy & Co., Cost Auditors of the company have been appointed as Cost Auditors of the company for the year ending 31st March 2021. A resolution seeking shareholders' ratification of the remuneration payable to the Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

There were no frauds reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there under.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements at appropriate places.

Transactions with related parties

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Act read with rule 8 (2) of the Companies (Accounts) Rules, 2014 are given in **Annexure 3** in Form AOC-2 and the same forms part of this report.

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered into by the company with the promoters, key management personnel or other designated persons that may have potential conflict with the interests of the company at large. All related party transactions had prior approval of the Audit Committee and were later ratified by the Board.

During the year 2019-2020 your Company had not entered into transactions with any person or entity belonging to its promoter/promoter group, which holds 10% or more shareholding in the Company.

Corporate Social Responsibility

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative taken by your company are set out in **Annexure 4** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the company, <http://www.sagarcements.in/csr.html>.

Extract of Annual Return

As required under Section 92(3) of the Act, an extract of the Annual Return for the year 2019-20 has been given in the **Annexure 5** in the prescribed format, which forms part of this report and a copy thereof is also available on the company's website: www.sagarcements.in.

Particulars of Employees

The information required under Section 197 of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules has been given in the **Annexure 6**, which forms part of this report.

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Particulars	Ratio to Median Remuneration
Non-Executive Directors*	
Executive Directors:-	
Dr. S. Anand Reddy, M. D.	63.20
Shri. S. Sreekanth Reddy, J. M. D.	58.77

*Non-Executive Directors are not paid any remuneration, other than sitting fee.

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri. O. Swaminatha Reddy, Non-Executive Chairman	These directors, being non-executive directors were not paid any remuneration, other than the sitting fee, in which there was no increase during the financial year
Shri. K. Thanu Pillai, Non-Executive Director	
Shri. T. Nagesh Reddy (APIDC Nominee Director)	
Shri. John-Eric Bertrand, Non-Executive Director	
Shri. V. H. Ramakrishnan, Non-Executive Director	
Smt. S. Rachana, Non-Executive Director	
Dr. S. Anand Reddy, Managing Director	26.58
Shri. S. Sreekanth Reddy, Joint Managing Director	29.17
Shri. R. Soundararajan, Company Secretary	9.79
Shri. K. Prasad, Chief Financial Officer	39.08

- c. The percentage increase in the median remuneration of employees in the financial year: 7.91
- d. The number of permanent employees on the rolls of Company: 565
- e. Percentage increase or decrease in the market quotations of the shares of the company, in comparison to the rate at which the company came out with the last public offer:

Particulars	On 31 st March 2020 (₹)	On 22 nd June 1992	% Change
Market Price in NSE	304.45	Not listed	-
Market Price in BSE	305.70	45.00	579%

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that remuneration is as per the remuneration policy of the Company.

Policy on dealing with related party transactions is available on the website of the company (www.sagarcements.in).

Whistle Blower Policy

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees of the company to report their genuine concerns. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the Listing Regulations and the same is available on the company's web site.

Deposits from public

The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo:

The particulars required under Section 134 (3) (m) of the Companies Act, 2013 have been provided in the **Annexure 7**, which forms part of the Report.

Insurance

All the properties of the Company have been adequately insured.

Pollution Control

Your company is committed to keep the pollution at its plant within the acceptable norms and as part of this commitment, it has, inter-alia, adequate number of bag filters in the plant.

Sub Committees of the Board

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

Compliance Certificate

A certificate as stipulated under Schedule V (E) of the Listing Regulations from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance is attached to this Report along with a report on Corporate Governance.

Material changes and Commitments since the end of the Financial Year

There were no material changes or commitments between the end of the financial year and the date of this report.

Cautionary Statement

Statements in this report and its annexures describing company's projection statements, expectations and hopes are forward looking. Though, these are based on reasonable assumption, the actual results may differ.

Acknowledgment

Your Directors wish to place on record their appreciation of the valuable co-operation extended to the Company by its bankers and various authorities of the State and Central Government. They thank the Distributors, Dealers, Consignment Agents, suppliers and other business associates of your Company for their continued support. Your Board also takes this opportunity to place on record its appreciation of the contributions made by the employees of company at all levels and last but not least, of the continued confidence reposed by you in the Management.

For and on behalf of the Board of Directors

Hyderabad
29th July 2020

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

Annexure 1

Form AOC-1

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

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

Part "A": Subsidiaries

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

S. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (R) LIMITED	SATGURU CEMENT PRIVATE LIMITED	JAJPUR CEMENTS PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees
4.	Share Capital	10,381	446	3868
5.	Reserves & surplus	(4173)	14,963	163
6.	Total Assets	54,871	17,103	7,699
7.	Total Equity and Liabilities	54,871	17,103	7,699
8.	Investments	Nil	Nil	Nil
9.	Turnover	35,162	187	0
10.	Profit before tax	708	(36)	(77)
11.	Provision for tax	(1,209)	25	20
12.	Loss after tax	(501)	(11)	(57)
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100%	65%	100%

Notes:

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

Part "B": Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

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

Name of associates/Joint Ventures	Nil
1. Latest audited Balance Sheet Date	Nil
2. Shares of Associate/Joint Ventures held by the company on the year end	Nil
No.	Nil
Amount of Investment in Associates/Joint Venture	Nil
Extent of Holding%	Nil
3. Description of how there is significant influence	Nil
4. Reason why the associate/joint venture is not consolidated	Nil
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
6. Profit/Loss for the year	Nil
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	Nil

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

Dr. S. Anand Reddy
Managing Director

S. Srekanth Reddy
Joint Managing Director

Place: Hyderabad
Date : 29th July 2020

K. Prasad
Chief Financial Officer

R. Soundararajan
Company Secretary

Annexure 2

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on 31st March 2020

[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 Ltd,
Plot No.111, Road No.10,
Jubilee Hills, Hyderabad,
Telangana - 500033.
- We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sagar Cements Ltd** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
- Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March 2020 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 31st March 2020 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (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; **(Not applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 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 Transboundary 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) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads/Company Secretary of the Company, in

our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 them at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required by them on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- i. The Company has allotted:
 - 15,50,000 Equity Shares pursuant to conversion of Warrants on 24th July 2019; and
 - 3,25,000 Equity Shares pursuant to conversion of Warrants on 27th March 2020.

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

Place: Hyderabad
Date: 21st May 2020

ACS No.: 22119
C P No.: 7999

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

Annexure-A

To,

The Members,
 Sagar Cements Ltd,
 Plot No.111, Road No.10,
 Jubilee Hills, Hyderabad,
 Telangana 500033.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **B S & Associates**
 Company Secretaries

S. Srikanth
 Partner

Place: Hyderabad
 Date: 21st May 2020

ACS No.: 22119
 C P No.: 7999

Secretarial Compliance Report

Sagar Cements Ltd

for the year ended 31st March 2020

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

- (a) all the documents and records made available to us and explanation provided by Sagar Cements Ltd ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2020 ("Review Period") in respect of compliance with the provisions of:
 - (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable to the Company during the Review Period;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable to the Company during the Review Period;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

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

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company during the Review Period;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable to the Company during the Review Period;
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
 - (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
 - (c) During the Reporting Period, there were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
 - (d) The listed entity has taken the following actions to comply with the observations made in previous reports: Not Applicable as there were no observations in the previous Annual Secretarial Compliance Report.

for **B S S & Associates**
Company Secretaries

S. Srikanth

Partner

ACS No.: 22119

C P No.: 7999

Place: Hyderabad

Date: 21st May 2020

Annexure 3

Form No. AOC-2

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

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

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

Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2019-20.

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 2019-20.

For and on behalf of the Board of Directors

Hyderabad
29th July 2020

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

Annexure 4

Annual Report on CSR Activities

- 1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken is given below and the same is also available on the website of the company, www.sagarcements.in.**

SCL is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact.

It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will impact a big difference. This SCL CSR Policy is guided by the following principles:

- (a) To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.
- (b) It believes that growth and environment should go in hand and hand.
- (c) It looks formal collaboration with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers and Distributors to tackle the challenges faced by the society.

The activities undertaken/to be undertaken by the company as CSR activities are not expected to lead to any additional surplus beyond what would accrue to the company in the course of its normal operations.

In accordance with Section 135 (5) of the Companies Act, 2013, the company is committed to spend atleast 2% of the average net profit made during the three immediately preceding financial years in areas listed out in the Schedule 7 of the Companies Act, 2013.

The company has a structured governance procedure to monitor its CSR activities, for which purpose, it has constituted a CSR Committee with an independent director as its Chairman.

- 2. The composition of the CSR Committee:**

The company has a CSR committee of directors comprising of Shri. K. Thanu Pillai, Chairman of the Committee, Dr. S. Anand Reddy, Shri. S. Sreekanth Reddy and Smt. S. Rachana as its members.

- 3. Average net Profit/(Loss) of the company for last three financial years for the purpose of computation of CSR: ₹ 4,573.00 Lakhs.**
- 4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above): ₹ 91.46 Lakhs.**
- 5. Details of CSR spent during the financial year:**
 - (a) Total amount spent for the financial year: ₹ 81 Lakhs.
 - (b) Amount unspent: Nil

(c) Manner in which the amount was spent during the financial year:

							In ₹
Sl. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2)Specify the State and district where project or programme was undertaken	Amount Outlay (budget) Project or programme wise	Amount spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
1	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available sage drinking water.	Local Areas of Nalgonda District, Telangana	22,36,370	22,36,370	70,17,542	Direct
2	Training and education	Promotion of Education and infrastructure for it.	Local Areas of Nalgonda District, Telangana	18,33,502	18,33,502	82,79,006	Direct
3	Training and promotion of sports	Organising sports events and sponsor of sports personnel	Local Areas of Nalgonda District, Telangana	3,97,747	3,97,747	27,17,753	Direct
4	Rural Development	Laying of Roads and related works	Local Areas of Nalgonda District, Telangana	36,37,400	36,37,400	2,23,39,679	Direct
Total CSR spent				81,05,019	81,05,019	4,035,53,980	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Not applicable

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with the CSR objectives and the policy of the company.

Hyderabad,
29th July 2020

Dr. S. Anand Reddy
Managing Director

K. Thanu Pillai
Chairman, Corporate Social Responsibility Committee

Annexure 5

Form No.MGT-9

Extract of Annual Return

as on the financial year ended on 31st March 2020

[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	: L26942TG1981PLC002887
ii. Registration Date	: 15 th January 1981
iii. Name of the Company	: Sagar Cements 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-500 033 Tel : 91 40 23351571 Fax: 91 40 23356573 Email: soundar@sagarcements.in Website: www.sagarcements.in
vi. Whether listed company	: Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	: KFin Technologies Private Limited Selenium Tower B, Plot Nos 31-32 Gachibowli, Financial District, Nanakramguda, Hyderabad -500032 Tel : 040-67162222 Fax : 040-23001153 e-mail: einward.ris@kfintech.com Toll Free No: 1800-3454-001 mailmanager@karvy.com Website: kfintech.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the company
1	Manufacture of Cement	23941	100

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Sagar Cements (R) Limited (Formerly BMM Cements Ltd.) 19/13, Old # 19/5, 19/6, 3 rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052, Karnataka	U40300KA2007PLC043746	Subsidiary	100%	2(87)
2	Jajpur Cements Private Limited Reg. Off: Plot No. 22, Acharaya Vihar Madhusudan Nagar, Bhubaneshwar, Khordha - 751013, Odisha.	U26922OR2010PTC012239	Subsidiary	100%	2(87)
3	Satguru Cement Private Limited Reg. Off: 601/1, Airen Heights, Scheme No. 54 PU-3, A. B. road, Indore - 452001, Madhya Pradesh	U26942MP2001PTC014599	Subsidiary	65%	2(87)

IV. Share Holding Pattern (Equity Share Capital Break up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) Promoters									
1 Indian									
(a) Individual/ Hindu Undivided Family Central Government/State Government(s)	9,007,769	0	9,007,769	44.15	9,008,369	0	9,008,369	40.44	-3.71
(c) Bodies Corporate	1,205,382	0	1,205,382	5.91	1,980,382	325,000	2,305,382	10.35	4.44
(d) Financial Institutions/Banks									
(f) Any Other (Specify)									
Sub Total(A)(1)	10,213,151	0	10,213,151	50.06	10,988,751	325,000	11,313,751	50.79	0.73
2 Foreign									
(a) Individuals (Non-Resident Individuals/Foreign Individuals)									
(b) Bodies Corporate									
(c) Institutions									
(d) Qualified Foreign Investor									
(e) Any Other (Specify)									
Sub Total(A)(2)									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	10,213,151	0	10,213,151	50.06	10,988,751	325,000	11,313,751	50.79	0.73
(B) Public shareholding									
1 Institutions									
(a) Mutual Funds	2,532,148	1,200	2,533,348	12.42	2,485,834	1,200	2,487,034	11.17	-1.25
(b) Financial Institutions/Banks	2,436	3,850	6,286	0.03	1,313	3,850	5,163	0.02	-0.01
(c) Central Government/State Government(s)									
(d) Venture Capital Funds									
(e) Insurance Companies	324,241	0	324,241	1.59	336,741	0	336,741	1.51	-0.08
(f) Foreign Institutional Investors/FPIs	707,424	0	707,424	3.47	677,540	0	677,540	3.04	-0.43
(g) Foreign Venture Capital Funds									
(h) Qualified Foreign Investors									
(i) Any Other (specify) (Trust)									
Sub-Total (B)(1)	3,566,249	5,050	3,571,299	17.51	3,501,428	5,050	3,506,478	15.74	-1.77
2 Central Governments/State Government(s)/President of India									
Sub-Total (B) (2)	0	0	0	0	0	0	0	0	0
3 Non-Institutions									
(a) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 Lakh	1,027,693	231,825	1,259,518	6.17	1,097,395	205,025	1,302,420	5.85	-0.32
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh.	256,715	0	256,715	1.26	283,263	0	283,263	1.27	0.01
(b) NBFCs registered with RBI	200	0	200	0	0	0	0	0	0
(c) Employee Trusts									
(d) Overseas Depositories (Holding DRs) (Balancing figure)									
(e) Any Other									
Alternative Investment Fund	4,500	0	4,500	0.02	0	0	0	0	-0.02
Trusts									
NRIs	110,935	0	110,935	0.54	117,366	0	117,366	0.53	-0.01
Clearing Members	6,056	0	6,056	0.03	6,444	0	6,444	0.03	0
Bodies Corporates	4,812,585	3,101	4,815,686	23.61	5,573,700	2,851	5,576,551	25.03	1.42
IEPF	161,940	0	161,940	0.79	168,727	0	168,727	0.76	-0.03
Sub-Total (B)(3)	6,380,624	234,926	6,615,550	32.42	7,246,895	207,876	7,454,771	33.47	1.05
(B) Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	9,946,873	239,976	10,186,849	49.93	10,748,323	212,926	10,961,249	49.21	-0.72
TOTAL (A)+(B)	20,160,024	239,976	20,400,000	100.00	21,737,074	537,926	22,275,000	100.00	0.00
(C) Shares held by Custodians for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	20,160,024	239,976	20,400,000	100.00	21,737,074	537,926	22,275,000	100.00	0.00

(ii) Shareholding of promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (1 st April 2019)			Shareholding at the end of the year (31 st March 2020)			% 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	
1	S. VEERA REDDY	1,643,795	8.06	0	0	0	-8.06	
2	S. ARUNA	1,369,545	6.71	Nil	1,369,545	6.15	-0.56	
3	S. RACHANA	1,167,183	5.72	Nil	1,167,183	5.24	-0.48	
4	S. ANAND REDDY	1,306,524	6.40	Nil	1,306,524	5.87	-0.53	
5	SREEKANTH REDDY SAMMIDI	1,238,753	6.07	Nil	1,239,353	5.56	-0.51	
6	S. VANAJATHA	990,769	4.86	Nil	990,769	4.45	-0.41	
7	W. MALATHI	755,400	3.70	Nil	755,400	3.39	-0.31	
8	N. MADHAVI	533,800	2.62	Nil	533,800	2.40	-0.22	
9	P. V. NARSIMHA REDDY	2,000	0.01	Nil	2,000	0.01	0.00	
10	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LTD	313,285	1.54	Nil	313,285	1.41	-0.13	
11	PANCHAVATI POLYFIBRES LTD	31,500	0.15	Nil	31,500	0.14	-0.01	
12	SAGAR PRIYA HOUSING & INDUSTRIAL ENTERPRISES LTD	860,000	4.22	Nil	860,000	3.86	-0.36	
13	RV CONSULTING SERVICES PVT.LTD.	597	0.00	Nil	1,100,597	4.94	4.94	
14	S. SIDDARATH	0	0	0	821,898	3.69	3.69	
15	S. ANEESH	0	0	0	821,897	3.69	3.69	
	TOTAL	10,213,151	50.06	Nil	11,313,751	50.79	0.73	

(iii) Change in Promoters' Shareholding

Sl. No.	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
	At the beginning of the year	10,213,151	50.06	10,213,151	50.06
	Acquired during the year				
	Acquired*	1,100,600	4.94	11,313,751	50.79
	Sold*				
	At the end of the year			11,313,751	50.79

* Shares of the Company are traded on a daily basis and hence the date wise increase or decrease in the shareholding is not furnished.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs).

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year 1 st April 2019 *		Shareholding at the end of the year 31 st March 2020 **	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	AVH Resources India Private Limited	3,583,704	17.57	4,358,704	19.57
2	HDFC Trustee Company Limited - HDFC Prudence Fund	1,306,000	6.40	1,309,820	5.88
3	IDFC Dynamic Equity Fund/Classic Equity Fund	1,001,533	4.91	1,029,533	4.62
4	Twinvest Financial Services Limited	813,327	3.99	813,324	3.65
5	KITARA INDIA MICRO CAP GROWTH FUND	347,349	1.70	275,949	1.24
6	ICG Q LIMITED	330,000	1.62	365,000	1.64
7	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	324,241	1.59	336,741	1.51
8	VANAJA SUNDAR IYER	200,000	0.98	200,000	0.90
9	IEPF	161,940	0.79	168,727	0.76
10	SBI MAGNUM COMMA FUND/SBI INFRASTRUCTURE FUND	146,381	0.72	14,631	0.07

* In the list of top 10 as on 1st April 2019;

** In the list of top 10 as on 31st March 2020

Note: As the shares of the Company are traded on a daily basis, the date wise increase or decrease in the shareholding is not furnished.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Date	Reason	Shareholding at the beginning of the year 1 st April 2019 *		Shareholding at the end of the year 31 st March 2020 **	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Directors							
1	Shri. O. Swaminatha Reddy	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			Nil	Nil
2	Smt. S. Rachana	01/04/2019	At the beginning of the year	1,167,183	5.72		
		31/03/2020	At the end of the year			1,167,183	5.24
3	Shri. S. Anand Reddy	01/04/2019	At the beginning of the year	1,306,524	6.40		
		31/03/2020	At the end of the year			1,306,524	5.87
4	Shri. Sreekanth Reddy Sammid	01/04/2019	At the beginning of the year	1,238,753	6.07		
		31/03/2020	At the end of the year			1,239,353	5.56
5	Shri. K. Thanu Pillai	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			Nil	Nil
6	Shri. V. H. Ramakrishnan	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			Nil	Nil
7	Shri. John-Eric Bertrand	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			Nil	Nil
8	Shri. T. Nagesh Reddy	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			Nil	Nil
9	Shri. Jens Van Nieuwenborgh	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			Nil	Nil
Key Managerial Personnel							
1	Shri. R. Soundararajan, Company Secretary	01/04/2019	At the beginning of the year	10	0		
		31/03/2020	At the end of the year			10	0
2	Shri. K. Prasad, Chief Financial Officer	01/04/2019	At the beginning of the year	Nil	Nil		
		31/03/2020	At the end of the year			1,984	0

V. Indebtedness

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

Amount in ₹ Lakhs

Particulars	Secured Loans excluding deposits (Note 1)	Unsecured Loans	Deposits (Note 2)	Total Indebtedness	
I	Indebtedness at the beginning of the year				
i	Principal Amount	28,379.00	-	3,944.00	32,323.00
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	247.00	-	-	247.00
	Total (i+ii+iii)	28,626.00	-	3,944.00	32,570.00
Change in the indebtedness during the financial year					
	Addition	12,504.00	-	-	12,504.00
	Reduction	15,326.00	-	-	15,326.00
	Net Change	(2,822.00)	-	-	(2,822.00)
II	Indebtedness at the end of the year				
i	Principal Amount	25,557.00	-	5,178.00	30,735.00
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	190.00	-	-	190.00
	Total (i+ii+iii)	25,747.00	-	5,178.00	30,925.00

Note: 1. These liability represents obligations under finance lease including current portion of obligations.

2. These are deposits received from vendors for contracts to be executed.

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		In ₹
		Dr. S. Anand Reddy (M.D.)	Shri. S. Sreekanth Reddy (J.M.D)	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income-tax Act, 1961	2,10,00,000	1,89,00,000	3,99,00,000
	(b) Value of perquisites u/s.17 (2) of Income-come Tax Act, 1961	-	-	-
	(a) Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	90,00,000	90,00,000	1,80,00,000
	- as % of profit	-	-	-
	- others, specify (arrears relating to previous year)	-	-	-
5	Total (A)	3,00,00,000	2,79,00,000	5,79,00,000
	Ceiling as per the Act (As minimum remuneration)			

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of the Director			In ₹
		Shri. O. Swaminatha Reddy	Shri. K. Thanu Pillai	Shri. V. H. Ramakrishnan	Total Amount
1	Independent directors				
	- Fee for attending board/ committee meetings	2,40,000	2,80,000	2,40,000	7,60,000
	Total (1)	2,40,000	2,80,000	2,40,000	7,60,000
2	Other Non-Executive Directors				
		Name of the Director			Total Amount
		Shri. T. Nagesh Reddy (APIDC's Nominee)*	Shri. John Eric Bertrand	Smt. S. Rachana	Shri. Van Nieuwenborgh Jens (Alternate Director to Shri. John Eric Bertrand)
	- Fee for attending board/ committee meetings	1,20,000	40,000	1,40,000	3,00,000
	Total (2)	1,20,000	40,000	1,40,000	3,00,000
	Total (B) = (1+2)				10,60,000
	Total Managerial Remuneration (A + B)				5,89,60,000
	Overall Ceiling as per the Act				

* Sitting Fee paid to the Institution he represents, viz., APIDC directly.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri. R. Soundararajan	Shri. K. Prasad	
1	Gross Salary			
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	35,25,488	48,20,208	83,45,696
	b. Value of perquisites u/s.17 (2) of Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under Section 17 (3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweet Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, Allowances	-	-	-
	Total	35,25,488	48,20,208	83,45,696

VII. Penalties/Punishment/Compounding of Offences

There were no penalties, punishment or compounding of offences during the year ended 31st March 2020.

Annexure 6

Particulars of employees as required under Section 197 of the Companies Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Employee	Dr. S. Anand Reddy	Shri. S. Sreekanth Reddy
Designation	Managing Director	Joint Managing Director
Age	56 years	48 years
Remuneration received (₹)	2,10,00,000	1,89,00,000
Commission received (₹)	90,00,000	90,00,000
Nature of employment	Contractual	Contractual
Nature of duties	General Management	General Management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology
Experience (Years)	27	24
Date of Commencement of Employment	21 st November 1992	26.6.2003
Last Employment held	Nil	Nil

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

Annexure 7

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

The information required under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

Conservation of Energy and Technology Absorption

Your company attaches utmost importance to conservation of energy by adopting innovative measures through usage of eco-friendly and cheaper fuels, reducing wastage and optimising the consumption of energy. Some of the specific measures undertaken in this direction are listed below.

1. Replacement of coal with 100% pet coke as fuel for cost optimisation.
2. Utilisation of AFR for replacement of pet coke to the tune of 2%.

Optimisation of Plant Capacity

Company has taken up Plant optimisation program to enhance the production capacity and reduce the Power and Fuel Consumption.

The following initiatives have been taken.

1. Commissioning of additive dozing system for Cement Mill No. 3 and 4.
2. Commissioning of mechanised clinker truck loading system.
3. Installation of VRM 2 for raw material grinding and likely to be commissioned by end of November, 2020.
4. Modification of limestone apron conveyor for optimum output.
5. Replacement of cooler ESP fan for optimisation of WHR power.

Research and Development

Your Company Collaborates with National Council for Cement Building & Materials for Research and Development activities and appointed CII for Plant Energy Audit.

Foreign Exchange earnings and Outgo

Details of foreign exchange earnings and outgo as per the Companies Act, 2013, are given below.

Sl. No	Particulars	₹ in Lakhs	
		For the year ended 31 st March 2020	For the year ended 31 st March 2019
1	Outgo	7,582.48	7,772.46
2	Inflow	Nil	Nil