

Directors' Report

Dear Members

Your Directors are pleased to present their Forty Second Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended 31st March, 2023.

Financial Results

This discussion on the financial performance and results of operations of your Company for the year ended 31st March, 2023, which are summarized below, should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (M) Private Limited, Jajpur Cements Private Limited and Andhra Cements Limited.

Description	Stand-alone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	1,91,040	1,56,786	2,22,954	1,59,687
Other Income	7,968	2,691	22,270	1,342
Total income	1,99,008	1,59,477	2,45,224	1,61,029
Total expenses	1,73,737	1,28,177	2,07,636	1,32,110
Profit before Interest, Depreciation and Tax	25,271	31,300	37,588	28,919
Less: Finance Cost	10,433	6,934	20,164	9,248
Depreciation	8,490	8,035	15,577	9,271
Profit before tax	6,348	16,331	1,847	10,400
Total Tax	2,426	5,953	997	4,485
Profit after Tax	3,922	10,378	850	5,915
Other Comprehensive Income	13	127	15	131
Total Comprehensive Income	3,935	10,505	865	6,046
Basic & Diluted Earnings per share of ₹ 2 each	3.03	8.83	0.66	5.03

₹ In lakhs

Performance

Due to increase in the input cost, particularly power and fuel, your company witnessed a marginal set back in its performance, resulting in an operational profit of ₹252.71 crores. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2022-23 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

Dividend

Dividend is recommended by your Board taking into consideration the factors like overall profitability, cash flow, capital requirements and other business consideration as well as the applicable regulatory requirements read with the dividend distribution policy adopted by your company, which is available on your company's website and can be accessed at:

https://sagarcements.in/wp-content/uploads/2020/08/ScI_Dividend-Distribution-Policy-1.pdf

In this background, your Board of Directors is pleased to recommend a dividend at ₹0.70 per equity share (35%) on the 13,07,07,548 equity shares of ₹2/- each of your company. This would result in a total outflow of ₹914.95 lakhs.

Transfer to reserves

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

Share Capital

Authorised Share Capital:

As on 31st March, 2023, the authorised share capital of the company was ₹182,50,00,000/- comprising of 69,75,00,000 Equity Shares of ₹2/- each and 4,30,00,000 Preference Shares of ₹10/- each.

Paid-up Share Capital:

During the year, your company allotted 1,32,07,548 equity shares of ₹2/- each at an issue price of ₹265/- per share including a premium of ₹263/- per share) as a result of which, the paid-up share capital of the company as on 31st March, 2023 stood increased to ₹26,14,15,096 dividend into 13,07,07,548 equity shares of face value of ₹2/- each.

Utilization of funds raised through issue of Equity Shares

The sum of ₹350,00,00,220/- raised during the year 2022-23 through issue of Equity Shares on a preferential basis has been fully utilized for the purpose for which it was raised and there has been no deviation or variation in utilisation of this sum.

Subsidiaries, Joint Ventures and Associate Companies

The performance of your subsidiary viz., M/s. Sagar Cements (M) Private Limited (formerly known as Satguru Cement Private Limited) and M/s. Jajpur Cements Private Limited (a wholly-owned subsidiary), both of which were acquired by your company, and commissioned in the year 2021-22, is satisfactory and on the expected lines.

With a view to synchronize the operations, efforts to merge Jajpur Cements Private Limited with your company are in progress.

We are pleased to inform you that your company has acquired 8,75,63,533 equity shares of ₹10/- each (95% stake) in Andhra Cements Limited (ACL) through a Insolvency and Bankruptcy Code Process in the month of March, 2023, by virtue of which, the said ACL has become subsidiary of your company. This subsidiary has an integrated plant with Clinkerisation Capacity of 1.65 MnT and Cement Grinding Capacity of 1.8 MnT along with 30 MW captive power plant located at Durgapuram, Dachepalli-522414, Palnadu (District), Andhra Pradesh and a grinding unit of 0.80 MnT capacity in Visakhapatnam. The Dachepalli unit has resumed its grinding operations post the above acquisition and clinkerisation at the said plant is expected to resume shortly.

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

Performance of your Company's Plants

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

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

Details relating to future outlook, risk management system and internal control and its adequacy have been given in detail in the Management and Discussion Analysis Report, which is part of the Directors Report.

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

Human resource development and Industrial Relations

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

Your company is organizing training programmes wherever required for the employees concerned to improve their skill. They 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 grow and realize their full potential. Your company is committed to providing all its employees with a healthy and safe work environment.

Sexual Harassment

Regarding the Sexual Harassment of Women at the work place (Prevention, Prohibition & Redressal) Act, 2013, your company has an Internal Complaints Committee. No complaints were received or disposed off during the year under the above Act and no complaints were pending either at the beginning or at the end of the year. Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC). ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. ICC has its presence at corporate office as well as at site locations.

Awards and Recognitions

Your company has already achieved ISO Certification ISO 9001:2015 for Quality Management System Standard, ISO 14001:2015 for Environmental Management System Standard, ISO 45001:2018 for Occupational Health and Safety Management System Standard and ISO 50001:2018 for Energy Management.

Your company has been awarded with "Best Management Award" by the Ministry of Labour, Government of Telangana in appreciation of the company's providing local employment and skill development training for qualified graduates at its Mattampally unit.

The blended products produced by your Company at its Gudipadu Unit have been certified with "GreenPro" by the CII Green Product and Services Council.

Your Company's Bayyavaram Unit has been awarded with "National Excellent Energy Efficient Unit – 2022" by Confederation of Indian Industry.

Your Company's Limestone mine at Mattampally plant was awarded with "5 Star Rating for the year 2021-22" by Indian Bureau of Mines.

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 K. Thanu Pillai, on his successful completion of second consecutive term as an Independent Director of the Company laid down his office from the Board as its Member and Chairman on 24th September, 2023.

Shri V.H. Ramakrishnan, who also completed successfully his second consecutive term as an Independent Director of the Company laid down his office from the Board as its Member on 30th March, 2023.

Your Board has placed on record its appreciation of the valuable guidance received from these directors during their respective tenure on the Board and wished them a good health to enable them to continue to lead an active life in the years to come.

On recommendation of the Nomination and Remuneration Committee, your Board of Directors at its meetings held on 20th July, 2022 and 27th March, 2023, appointed Shri K.V. Vishnu Raju and Shri Ravichandran Rajagopal respectively as Independent Directors of the company and subsequently these appointments were approved by the shareholders through postal ballot passed on 11th October, 2022 and 4th May, 2023 respectively.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri S.Sreekanth Reddy and Mrs.S.Rachana will be retiring by rotation at the

ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Necessary resolutions seeking the approval of the members for the re-appointments have been incorporated in the notice of the annual general meeting of the company.

Excepting Mrs. S. Rachana, who was a director in Panchavati Polyfibres Limited until 6th June, 2022 and a director and major shareholder in R V Consulting Services Private Limited, whose transactions with the company have been reported under the related parties disclosure in the notes to the accounts, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

Independent Directors Declaration

The company has received necessary declarations from all the Independent Directors of the Company in accordance with Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence as laid 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.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

The Board of Directors is of the opinion that all the Independent Directors possess requisite qualifications, experience and expertise in industry knowledge and corporate governance and they hold highest standards of integrity.

Number of meetings of the board

During the year 2022-23, eight meetings of the board were held and the details of these meetings of the Board as well as its Committees have been given in the corporate governance report, which forms part of the Integrated Report.

Credit Rating

Details of Credit Ratings obtained by the Company have been given in the corporate governance report, which forms part of the Integrated Report.

Policy on directors' appointment and remuneration and other details

The company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 have been disclosed in the corporate governance report.

Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the board

has adopted a policy for nomination, remuneration and other related matters for directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

Board evaluation

The Board of directors have carried out an 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 re-appointed as Statutory Auditors of the company by the Shareholders at their 39th Annual General Meeting held on 9th September 2020 for a second consecutive term of 5 years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 44th Annual General Meeting to be held in the year 2025, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

Auditors' Report and Secretarial Auditors' Report

Auditors' Report

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

Secretarial Auditors' Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure-2**, which forms part of this report. The observations made by the Secretarial Auditors in their Report are self-explanatory. Your company has complied with the Secretarial Standards applicable for holding Board and General Meetings.

Secretarial Standards

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

Maintenance of Cost Records

Cost records are required to be maintained by the Company under Section 148 (1) of the Companies Act, 2013. Accordingly, such accounts and records made and maintained.

Cost Auditors

M/s.Narasimha Murthy & Co., Cost Auditors (FR No.000042) have been appointed as Cost Auditors of the company for the year ending 31st March 2024. A

resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

No frauds were reported by the Auditors under Sub-Section 12 of Section 143 of the Companies Act, 2013 read with the Rules made there under.

Particulars of loans, guarantees and investments

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

Transactions with related parties

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with rule 8 (2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-3** in Form AOC-2 as part of this report.

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

During the year 2022-23 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company.

Policy on transaction with related parties:

Policy on dealing with related party transactions is available on the website of the company https://sagarcements.in/wp-content/uploads/2020/08/SCL_Policy-on-Related-Party-Transactions.pdf

Corporate Social Responsibility

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative taken by your company are set out in **Annexure-4** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is also available on the website of the company, https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

Annual Return

Annual Return in Form MGT-7 is available on the company's web site and the link for the same is <https://sagarcements.in/wp-content/uploads/2020/08/Draft-Annual-Return.pdf>

Particulars of Employees

The information required under Section 197 of the Act read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been given in the **Annexure-5**, which forms part of this report.

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

Particulars	Ratio to Median Remuneration
Non-Executive Directors	Non-Executive Directors are not paid any remuneration, other than sitting fee
Executive Directors:-	
Dr.S.Anand Reddy	108.55
Shri S.Sreekanth Reddy	102.63

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year	
Shri K.Thanu Pillai, Non-Executive Director (Up to 23.9.2022)	These non-executive directors, were not paid any remuneration, other than the sitting fee.	
Shri V.H.Ramakrishnan, Non-Executive Director (Up to 29.3.2023)		
Mrs.O.Rekha, Non-Executive Director		
Mrs.Sudha Rani Naga (APIDC Nominee Director)		
Shri John-Eric Bertrand, Non-Executive Director		
Shri Jens Van Nieuwenborgh, alternate director to Shri John-Eric Bertrand, Non-Executive Director		
Mrs.S.Rachana, Non-Executive Director	-20.63	
Shri Madhavan Ganesan, Nominee Director (With effect from 11.5.2022)		
Shri K.V.Vishnu Raju, Independent Director (With effect from 20.7.2022)		
Shri Ravichandran Rajagopal, Independent Director (With effect from 27.3.2023)		
Dr.S.Anand Reddy, Managing Director		
Shri S.Sreekanth Reddy, Joint Managing Director		
Shri R.Soundararajan, Company Secretary		4.50
Shri K.Prasad, Chief Financial Officer		4.50

- c. The percentage increase in the median remuneration of employees in the financial year: 7.86
- d. The number of permanent employees on the rolls of Company: 745
- e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 9%. The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.

- f. Percentage increase or decrease in the market quotations of the shares of the company, compared to its price at which the company came out with its last public offer:

Particulars	On March 31, 2023 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	189.75	Not listed	-
Market Price in BSE	189.20	45.00	321.67%

* Face value of ₹2/- each

** Face value of ₹10/- each

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

The Company affirms that remuneration is as per its remuneration policy.

Whistle Blower Policy

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for directors and employees of the company to enable them to report their genuine concerns, if any. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the SEBI Listing Regulations and the said policy is available on the company's website https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

Deposits from public

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

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

The particulars required under Section 134 (3) (m) of the Companies Act, 2013 have been provided in the **Annexure-6**, which forms part of this Report.

Insurance

All the properties of the Company have been adequately insured.

Pollution Control

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

Sub Committees of the Board

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

Change in the Nature of Business

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

Report on Corporate Governance

In accordance with Regulation 34 read with Schedule V(C) of Listing Regulations, the Report on Corporate Governance is given as part of this report.

Compliance Certificate

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

Material changes and Commitments since the end of the Financial Year

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

Significant and material orders passed by the Regulators

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Disclosure of Accounting Treatment

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

Cautionary Statement

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

Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed and unpaid dividend of ₹6,93,249/-. Further, 59,495 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed/unpaid dividends lying in the unpaid dividend account up to the year, and the corresponding equity shares, which are liable to be transferred, are provided in the Shareholder information section of the corporate

governance report and are also available on our website, at <https://sagarcements.in/investors/dividend>.

Other Disclosures

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

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

Acknowledgement

Your Directors 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	Dr. S. Anand Reddy	S. Sreekanth Reddy
10 th May, 2023	Managing Director	Joint Managing Director
	DIN: 00123870	DIN: 00123889

Annexure - 1

Form AOC-1

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

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

Part "A": Subsidiaries

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

S.No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED (SCMPL)	JAJPUR CEMENTS PRIVATE LIMITED (JCPL)	ANDHRA CEMENTS LIMITED (ACL)
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	504	10,768	9,217
5.	Reserves & surplus	9,592	1,809	26,307
6.	Total Assets	63,275	36,356	90,881
7.	Total Equity and Liabilities	63,275	36,356	90,881
8.	Investments	0	0	0
9.	Turnover	26,642	7,420	0
10.	Profit/(Loss) before tax	(7,680)	3,832	(480)
11.	Provision for tax	(1,870)	512	70
12.	Profit/(Loss) after tax	(5,810)	3,320	(410)
13.	Proposed Dividend	0	0	0
14.	% of shareholding	65%	100%	95%

Notes: The following information shall be furnished at the end of the statement:

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

Part "B": Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

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

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

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date : May 10, 2023

K. Prasad
Chief Financial Officer

R. Soundararajan
Company Secretary
M.No.F4182

Annexure - 2

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Sagar Cements Limited,

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 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, 2023, 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, 2023 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 and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018; (Not applicable to the Company during the audit period)
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Employers Liability Act, 1938;
- (ix) Equal Remuneration Act, 1976;
- (x) Factories Act, 1948;
- (xi) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
- (xii) Maternity Benefits Act, 1961;
- (xiii) Minimum Wages Act, 1948;
- (xiv) Negotiable Instruments Act, 1881;
- (xv) Payment of Bonus Act, 1965;
- (xvi) Payment of Gratuity Act, 1972;
- (xvii) Payment of Wages Act, 1936 and other applicable labour laws;
- (xviii) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
 - i. Cement Cess Rules, 1993;
 - ii. Cement (Quality Control) Order, 2003;
 - iii. Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;

Annexure - 2 (Contd.)

- iv. The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
- v. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- vi. Water (Prevention & Control of Pollution) Cess Act, 1977;
- vii. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- viii. The Noise Pollution (Regulation And Control) Rules, 2000;
- ix. Mines Act, 1952 and Rules issued thereunder;
- x. Mines and Mineral (Regulation and Development) Act, 1957;
- xi. 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 except to the extent as mentioned below:

Relevant Provision for Compliance Requirement	Observation
Regulation 18(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015: Composition of the Audit Committee - At least two-thirds of the members of audit committee shall be independent directors.	The composition of Audit Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022. The Company rectified this lapse on 06.11.2022.
Regulation 19(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015: Composition of the Nomination & Remuneration Committee - At least two-thirds of the directors shall be independent directors.	The composition of Nomination & Remuneration Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022. The Company rectified this lapse on 06.11.2022.

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 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 the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The Company has issued and allotted 1,32,07,548 Equity Shares of ₹2/- each at a premium of ₹263/- per share on preferential basis.
2. The Company has acquired 95% stake in M/s. Andhra Cements Limited by virtue of approval of submitted Resolution Plan by the Hon'ble National Company Law Tribunal, Amaravati Bench vide its Order dated 16.02.2023.

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

S.Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999

Date: May 10, 2023
Place: Hyderabad

UDIN: -A022119E000281202
Peer review No: 726/2020

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

Annexure-A

To,
The Members,
Sagar Cements Limited,
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 S & Associates**
Company Secretaries

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: -A022119E000281202

Peer review No: 726/2020

Date: May 10, 2023

Place: Hyderabad

Annual Secretarial Compliance Report of Sagar Cements Limited for the year ended March 31, 2023

To,

Sagar Cements Limited,

Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana-500033.

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

- (a) all the documents and records made available to us and explanation provided by Sagar Cements Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable during the Review Period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 -Not applicable during the Review Period;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

Based on our examination and verification of the documents and also the information provided by the Company and its officers during the conduct of audit, we hereby affirm in the below table manner as per BSE Notice No. 20230410-41 dated 10.04.2023 and NSE Circular Ref No: NSE/CML/2023/30 dated 10.04.2023 and amendments thereof:

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

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

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Composition of the Audit Committee - At least two-thirds of the members of audit committee shall be independent directors.	Regulation 18(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	During the period from 23.09.2022 – 05.11.2022, number of Independent Directors in the Audit Committee was less than 2/3 rd of its total strength.	BSE	Issued Notice to the Company	The composition of Audit Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022	Nil	The Company rectified this lapse on 06.11.2022	In order to compliance with the applicable regulation, the Board of Directors has reconstituted the Audit Committee.	No further Comments.
2	Composition of the Nomination & Remuneration Committee - At least two-thirds of the directors shall be independent directors.	Regulation 19(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	During the period from 23.09.2022 – 05.11.2022, number of Independent Directors in the Nomination & Remuneration Committee was less than 2/3 rd of its total strength.	-	Issued Notice to the Company	The composition of Nomination & Remuneration Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022	-	The Company rectified this lapse on 06.11.2022	In order to compliance with the applicable regulation, the Board of Directors has reconstituted the Nomination & Remuneration Committee.	No further Comments.

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
										Not Applicable

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

S.Srikanth

Partner

ACS No.: 22119

C.P. No.: 7999

UDIN: -A022119E000281213

Peer review No: 726/2020

Date: May 10, 2023

Place: Hyderabad

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 2022-23.

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 2022-23.

On behalf of the Board of Directors

Dr. S. Anand Reddy

Managing Director
DIN: 00123870

S. Sreekanth Reddy

Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date : May 10, 2023

K. Prasad

Chief Financial Officer

R. Soundararajan

Company Secretary
M.No.F4182

Annexure - 4

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

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

It aims to achieve growth in a responsible way by encouraging people to take action every day that will have big difference in the long run. This CSR Policy is guided by the following principles:

1. It conducts its operations with integrity and responsibility, keeping in view the interest of all its stakeholders.
2. It believes that growth and environment should go hand and in hand.
3. It looks formal collaboration with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers and Distributors to tackle the challenges faced by the society.

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

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

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

2. Composition of CSR Committee:

Sl. No.	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri K.Thanu Pillai (Up to 23.9.2022)	1	-
2	Shri K.V.Vishnu Raju (With effect from 23.9.2022)	1	1
2	Dr.S.Anand Reddy	1	1
3	Shri S.Sreekanth Reddy	1	1
4	Mrs.S.Rachana	1	1

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

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

CSR Policy and CSR Projects:

https://sagarcements.in/wp-content/uploads/2020/08/ScI_CSR-Policy_21.5.2015.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable

5. (a) Average net profit of the company as per Section 135(5): ₹15064 lakhs.
(b) Two percent of average net profit of the company as per Section 135(5): ₹301.29 lakhs.
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
(d) Amount required to be set off for the financial year, if any: ₹25.70 lakhs
(e) Total CSR obligation for the financial year (5b+5c-5d): ₹275.59 lakhs

6. (a) Details of CSR amount spent against ongoing projects for the financial year: Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Nil												

Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency		
				State.	District.			Name.	CSR registration number.	
1.	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		47,13,707	Direct			
2.	Training and education	Promotion of Education and infrastructure for it.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		65,57,645	Direct			
3.	Training and promotion of sports	Organizing sports events and sponsor of sports personnel	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		6,66,600	Direct	Not Applicable		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		1,60,96,245	Direct			
Total						2,80,34,197				

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year (6a+6b+6c): ₹2,80,34,197/-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
280.34	0	Not applicable	Not applicable	0	Not applicable

Annexure - 4 (Contd.)

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)	
(i)	Two percent of average net profit of the company as per Section 135(5)		301.29
(ii)	(a) Total amount spent for the Financial Year	280.34	
	(b) Excess amount spent for the Previous Financial Year	25.70	306.04
(iii)	Excess amount spent for the financial year [(ii)-(i)]		4.75
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		4.75

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (₹ in lakhs).	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Date of transfer.	
- Nil -						

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Not Applicable								

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

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

Place: Hyderabad
Date : May 10, 2023

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

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

Annexure - 5

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

Name of the Employee	Dr. S.Anand Reddy	Shri S.Sreekanth Reddy	Shri K.Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	58 years	50 years	61 years
Remuneration received (₹)	3,15,00,000	2,83,50,000	1,02,51,450
Commission received (₹)	2,75,50,000	2,75,50,000	-
Nature of employment	Contractual	Contractual	Contractual
Nature of duties	General Management	General Management	General management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology	Diploma in Mechanical Engineering
Overall Experience (Years)	32	27	44
Date of Commencement of Employment	23.11.1991	26.06.2003	24.02.1992
Last Employment held	Nil	Nil	Nil

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

For and on behalf of the Board of Directors

Place: Hyderabad
Date : May 10, 2023

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Annexure - 6

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

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

Conservation of Energy and Technology Absorption

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

1. Utilization of Alternative Fuel and Raw Material (AFR) for replacement of pet coke to the tune of 10%.
2. Utilization of Rice husk to increase further reduction of pet coke.

Optimization of Plant Capacity

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

The following initiatives have been taken.

1. Construction of clinker storage silos for automatic feeding of clinker in to the wagons.
2. Installation of 90 KW solar power system at the side of railway siding to reduce the energy cost.
3. Construction of Alternative Fuel and Raw Material shed for storage of AFR material.
4. Upgradation of PLC from ECS to ECS-V8 for optimization of plant operation.

Research and Development

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

Foreign Exchange earnings and Outgo

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

		(₹ in Lakhs)	
S.No	Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
1	Outgo	8,108	12,622
2	Inflow	Nil	Nil

For and on behalf of the Board of Directors

Place: Hyderabad
Date : May 10, 2023

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889