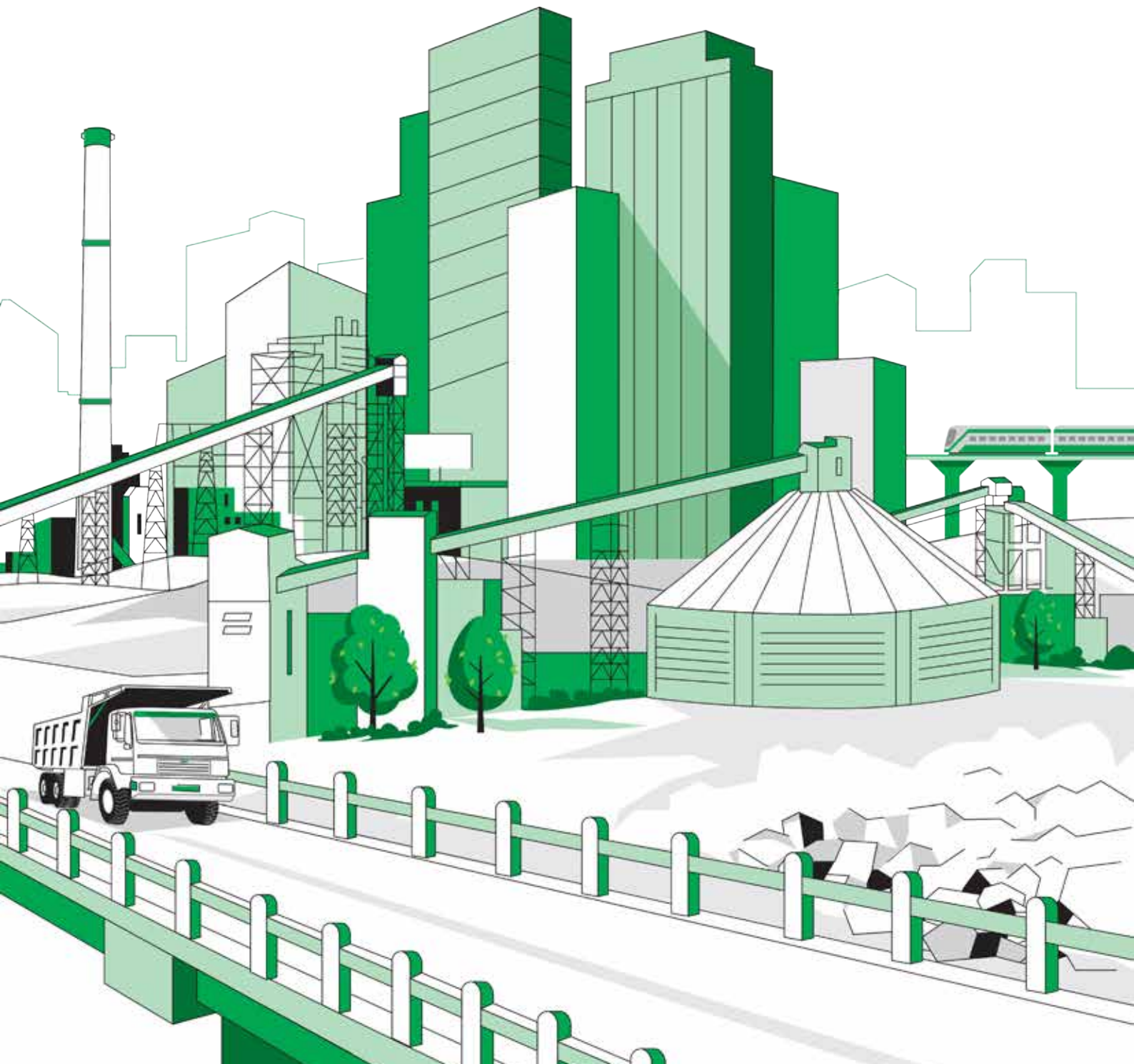


Able | Ambitious | Ahead



About this report

This is the second integrated report of Sagar Cements Limited (SCL), prepared annually in accordance with the guiding principles and content elements of the International Integrated Reporting <IR> Framework published by the International Integrated Reporting Council (IIRC).

The report's objective is to holistically present SCL's ability to create, retain and enhance value for all its stakeholders. The Company's integrated thought process is elucidated through its multi-capital-based business model, strategic framework, good governance practices, and strong financial and non-financial performance. The report also provides a detailed account of the organisation's credentials and its broad operating environment. This report has been prepared in accordance with the GRI Standards: Core option.

Reporting boundary and scope

The report includes material financial and non-financial information on:

- SCL, and its subsidiary Sagar Cements (R) Limited (SCRL), their manufacturing units at Mattampally and Gudipadu, and the grinding unit at Bayyavaram
- Multiple resources and relationships that the organisation relies on to create value and impact with its operations

There were no significant changes to the organization and its supply chain during the last year. There are no restatements of information.

Reporting period

This integrated report covers disclosures pertaining to the Company's developments between 1st April 2020 and 31st March 2021 (FY2021).

Statutory disclosures and financial statements

Sections of this document also comply with the requirements of the Companies Act, 2013 (and the rules made thereunder); Indian Accounting Standards; the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015; and the Secretarial Standards issued by the Institute of Company Secretaries of India. Readers are invited to read them in conjunction with the contents prepared using the <IR> format to get a holistic view of our annual performance and future direction.

Responsibility statement

The Board of Directors and our Management together acknowledge their responsibility to ensure the integrity of this integrated report, to the best of their knowledge. The report has been authorised for release on 3rd July, 2021.



Introducing key elements and icons

Material issues



Environment

- | | |
|--|---|
| M1 Climate and energy | M5 Renewable energy |
| M2 Waste management and circular economy | M6 Biodiversity management |
| M3 Responsible consumption | M7 Sustainable land use, relocation and rehabilitation (after mine closures) |
| M4 Responsible sourcing and alternate raw materials | |



Social

- | | |
|---|--|
| M8 Occupational health, wellbeing and safety | M12 Employee training and development |
| M9 Employee work-life balance and human rights | M13 Employee relations and engagement |
| M10 Supplier engagement | M14 Benefits, fair compensation and social security |
| M11 Social responsibility and engagement | M15 Local economic value creation |



Governance

- | | |
|--|---------------------------------------|
| M16 Tax and economic contribution | M19 Interest payments |
| M17 Fair business operations, business ethics and good governance | M20 Risk management |
| M18 Compliance | M21 Brand and reputation |
| | M22 Public policy and advocacy |



Economic

- | | |
|---|--|
| M23 Economic performance and profitability | M28 Technology and process innovation |
| M24 Vendor engagement and training | M29 Customer acquisition |
| M25 Return on investment | M30 Order fulfillment |
| M26 Business growth | M31 Transport and logistics |
| M27 Customer satisfaction | M32 Distribution presence |

Our six capitals



Financial capital

₹ 1,25,804 Lakhs Net worth	0.56 Debt-to-equity ratio
--------------------------------------	-------------------------------------



Manufactured capital

5.75 MTPA Installed capacity in operation	2.50 MTPA Capacity under construction
---	---



Intellectual capital

₹ 22.42 Lakhs R&D expenditure	
---	--



Human capital

2,204 Number of employees	246 Employees with a tenure of 10+ years
-------------------------------------	--



Social and relationship capital

₹ 130 Lakhs CSR expenditure in FY2021	20,000+ Beneficiaries
---	---------------------------------



Natural capital

5.06 MnT Raw material consumed	629.22 MnT Total limestone reserves*
1,767.18 MWh Solar power generated (net)	21,352.1 MWh Hydro power generated (net)

* The reduction is due to consumption during the year and consequent to MMDR Amendment Bill 2021

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Available online at:
www.sagarcements.in



Mapping with UN SDGs

Throughout the report, you will find icons related to the UN Sustainable Development Goals (SDGs). For each chapter, we have determined the SDGs where Sagar Cements Limited contributes with its activities.

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A year of resilient performance

Highlights FY2021



₹ 1,37,132 Lakhs
Revenue



₹ 40,044 Lakhs
EBITDA



₹ 18,560 Lakhs
Profit after tax



30,67,099 T
Cement produced



100%
Water for industrial use
is recycled



85,367.1 Mwh
Energy generated from green
and renewable sources



4.69%
Thermal
substitution rate
(Mattampally)

0.94%
Thermal
substitution rate
(Gudipadu)



Zero
fatalities



₹ 130 Lakhs
CSR spend



20,000+
No. of beneficiaries

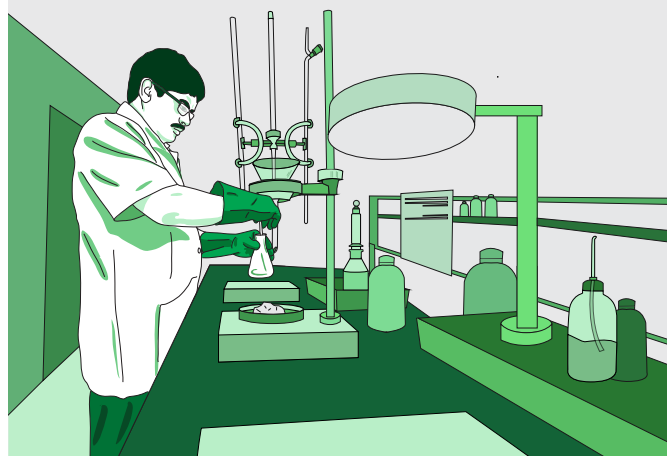


37.5%
Independent Directors



100%
Average attendance rate
in Board meetings

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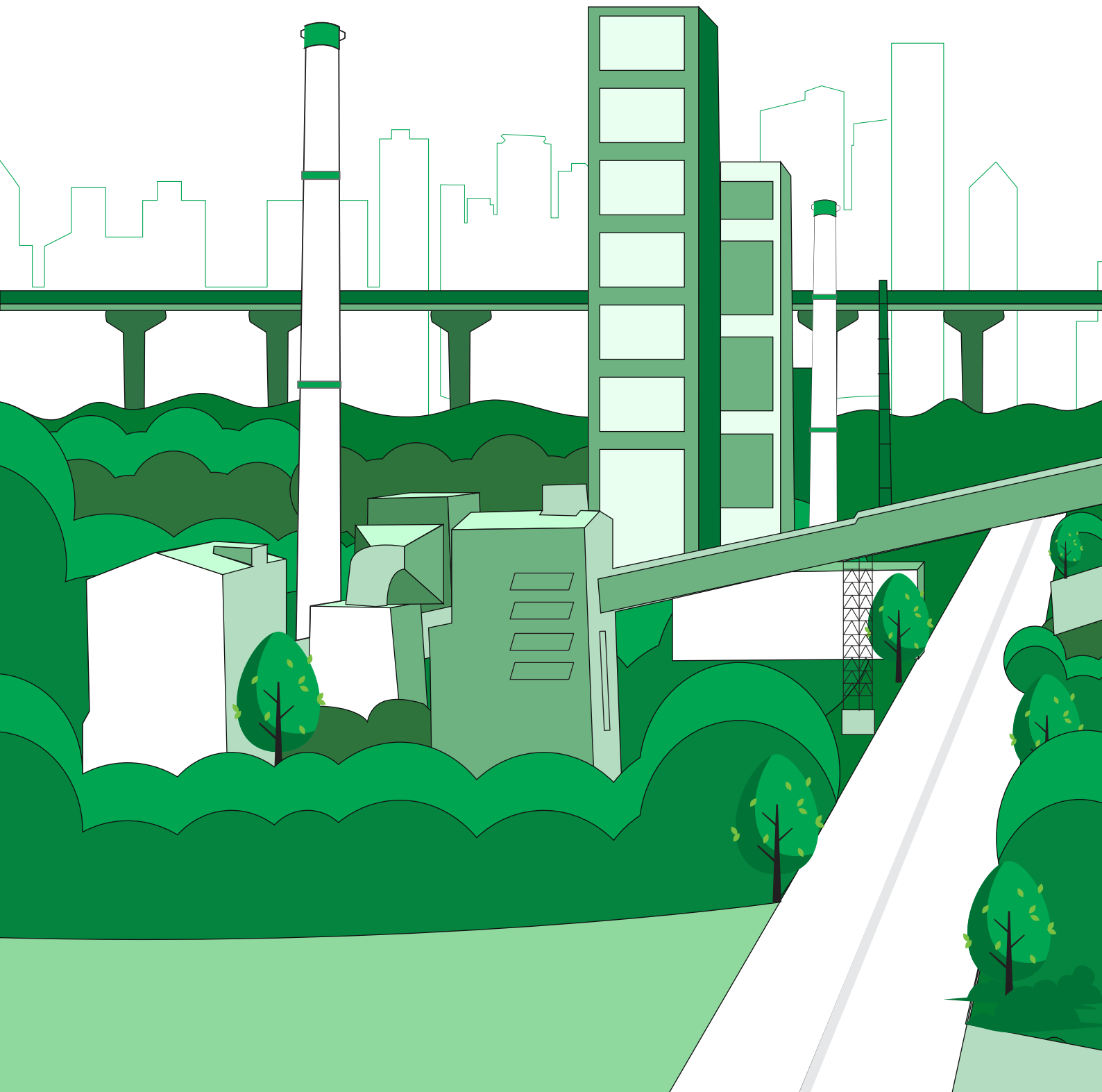


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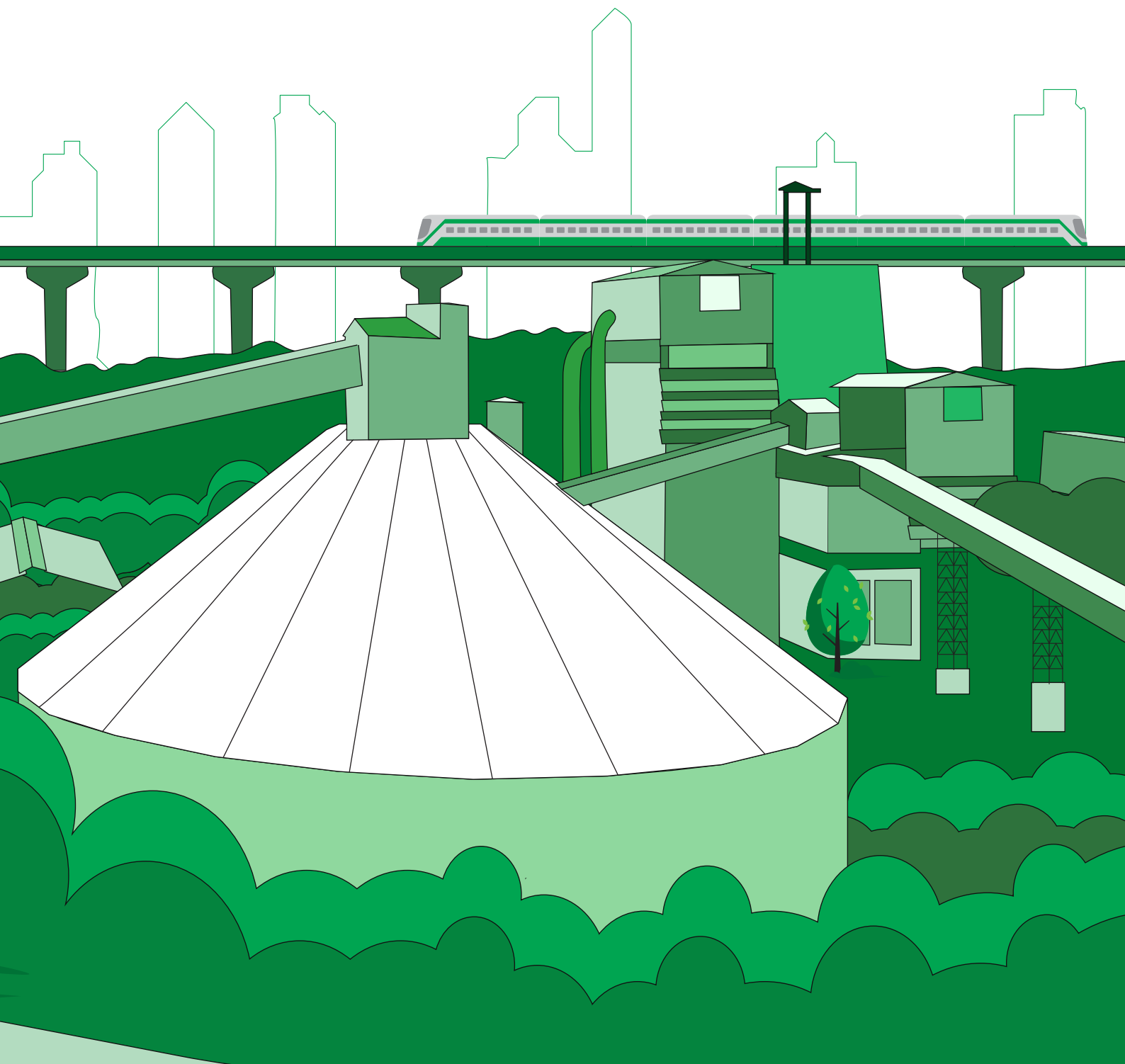
INTRODUCTION

Established in 1985, Sagar Cements Limited (SCL) has established a robust presence in the South Indian cement industry. As a stakeholder-driven organisation, we actively contribute to the betterment of societies and aim to fortify nation building in a self-reliant India with the quality and strength of our cement.



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Strong roots. Stronger growth.

We're responsible for the creation of a cement cluster in the Krishna river belt, and are one of the major cement producers in South India. Today, we are spreading our wings wider, with greenfield projects in Madhya Pradesh and Odisha, to leverage emerging demand in the Central and Eastern regions.

Capacity and reserves

5.75 MTPA

Cement capacity (Group)

629.22 MnT

Limestone reserves

3.80 MTPA

Clinker capacity

61.55 MW

Power generation capacity with 30.13%
green and renewable energy capacity

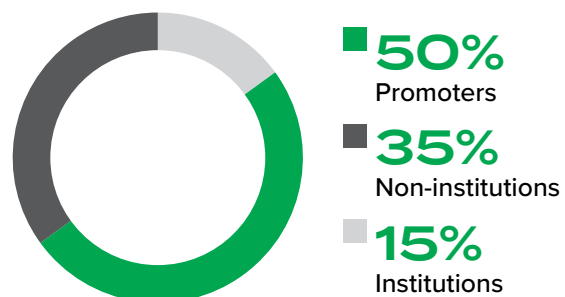
Product Spectrum

Ordinary Portland Cement (OPC) includes 53 grade & 43 grade	Portland Pozzolana Cement (PPC)
Portland Slag Cement (PSC),	Composite Cement
Special Cement includes Sulphate Resistant Cement (SRC_ and 53S Grade	Ground Granulated Blast Furnace Slag (GGBS)



Share Holding Pattern

(as on 31st March, 2021)



Built on robust fundamentals

Our decades-old industry expertise has allowed us to build a strong business with a sharp competitive edge. Over the years, we've inculcated best-in-class practices and adopted strategies that have strengthened our presence, our supply chain network, and enhanced cost and resource optimisation. This has led to a steady balance sheet, trustworthy brand name and capability to expand our reach further.

Strategically located

Our two integrated plants and one grinding unit are strategically located with access to key raw materials and the ability to reach crucial markets with ease, while keeping our costs under control. The plants are close to the major markets in South India as well as key markets in Maharashtra and Odisha. We're a part of the Nalgonda and Yerraguntla cement clusters. Our facilities are located close to major limestone reserves in Mattampally and Gudipadu. They are also in close proximity to coal mines, our main fuel, and ports.



Strong regional presence

We have an established presence across all five southern states. In addition to this, we've also gained ground in the states of Maharashtra and Odisha. By acquiring SCRL and Bayyavaram plants, we've been able to widen and deepen our market reach in these regions. While SCRL caters to the southern regions, Bayyavaram helps us gain greater access to the eastern markets, particularly north coastal districts of Andhra Pradesh and Odisha.