BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD

CP (CAA) No.49/230/HDB/2021
IN
CA (CAA) No.37/230/HDB/2021

In the matter of the Companies Act, 2013

And

In the matter of M/s Sagar Cements (R) Limited
('Transferor Company)

And

M/s. Sagar Cements Limited
("Transferee Company)

And

Their respective Shareholders

M/s. Sagar Cements (R) Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033,Telangana, India, rep. by its Director
Sri S.Sreekanth Reddy

... 1st Petitioner/
Transferor Company

And

M/s.Sagar Cements Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033,Telangana, India, rep. by its Director
Dr.S.Anand Reddy

... 2nd Petitioner /
Transferee Company

**NOTICE TO REGULATORY AUTHORITIES**

To

1. The Regional Director, South East Region,
   3rd Floor, Corporate Bhawan,
   GSI Post, Thattiannaram Village, Nagole, Bandlaguda,
   Hyderabad – 500068, Telangana

2. The Registrar of Companies,
   2nd Floor, Corporate Bhawan,
   GSI Post, Thattiannaram Village, Nagole, Bandlaguda,
   Hyderabad – 500068, Telangana

3. The Official Liquidator
   High Court of Telangana and Andhra Pradesh
   1st Floor, Corporate Bhawan,
   GSI Post, Thattiannaram Village, Nagole, Bandlaguda,
   Hyderabad – 500068, Telangana

4. The Income-Tax Authorities
   Signature Towers, Gachibowli,
   Miyapur Road, Kondapur,
   Hyderabad-500 084, Telangana.

5. Securities and Exchange Board of India
   C4-A, Bandra Kurla Complex
   Bandra (East), Mumbai,
   Maharashtra-400 051

6. BSE Limited
   P.J.Towers,
   Dalal Street,
   Mumbai – 400 001.

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

**NOTICE TO THE REGULATORY AUTHORITIES UNDER SECTION 230 OF THE COMPANIES ACT, 2013**

Notice is hereby given that as directed by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad by orders dated the 28.10.2021 in Joint Company Petition No. 49/230/HDB/2021 under Section 230, 232 and other applicable provisions of the Companies Act, 2013 for sanction of the Proposed Scheme of Amalgamation of M/s Sagar Cements (R) Limited and M/s Sagar Cements Limited and their respective Shareholders was presented by the Petitioner Companies on 16.12.2021 and admitted on 23.12.2021 and the said petition is fixed for hearing before the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad on the 1st February, 2022.

A copy of the Petition and Scheme are enclosed herewith along with all enclosures.

You are hereby informed that your representations, if any, in connection with the proposed Scheme may be made to the Hon'ble National Company Law Tribunal, Hyderabad Bench, at Hyderabad within the next date of hearing. Copy of the representation may simultaneously be sent to the concerned companies.

In case no representation is received within the stipulated period, i.e., before the next date of hearing, it shall be presumed that you have no representation to make on the proposed Scheme of Amalgamation.

V.B.Raju
Counsel for Petitioners,
Address: No.106, Dhanunjaya Towers,
Road No.1, Banjara Hills, Hyderabad - 500 034.
Ph: 9849120947
Email: vsrajuco@rediffmail.com

Dated:29.12.2021
Place : Hyderabad.

Enclosures:

1. Copy of the Joint Company Petition along with Scheme and their other enclosures

**V.B.RAJU**
Advocate
High Court

Chambers :
106, Dhanunjaya Towers, Road No.1,
Banjara Hills, Hyderabad – 500 034,
Tel: +91 40 23397154
Email : vsrajuco@rediffmail.com

To

Date: 16-12-2021.

The Deputy Registrar,
National Company Law Tribunal,
Hyderabad Bench,
Ground Floor, Corporate Bhavan,
Bandlaguda, Nagole,
Ranga Reddy District,
Hyderabad – 500 068.

Sir,

Sub:- C.P.(CAA) No._____ /230/HDB/2021 – In the matter of Scheme of Amalgamation of M/s Sagar Cements (R) Limited ('Transferor Company') with M/s. Sagar Cements Limited ("Transferee Company) and their respective Shareholders–filed under Section 230 & 232 of the Companies Act, 2013 - Reg.

***

We are filing herewith the Joint Company Petition (in duplicate) under Sec. 230 & 232 of the Companies Act, 2013 read with Rule 5 of the Companies (Compromises, Arrangements and Amalgamation) Rules 2016 together with the filing fees of Rs.5,000/- paid online on website of Bharatkoshi.gov.in vide Transaction Ref No.1612210016007 dt.16.12.2021 in favour of (PAO), Ministry of Corporate Affairs, Chennai.

Please take the same on record and acknowledge.

Yours truly,

V.B.RAJU
Counsel for the Petitioners

Encls: As above

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH: AT HYDERABAD

CP (CAA) No. / 230/HDB/2021

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| 3 | Memorandum and Articles of Association of the 1st Petition /Transferor Company is annexed hereto as **Annexure-1.** | 30.08.2007 | 29-78 |
| 4 | A copy of the Audited Balance Sheet as at 31.03.2021 of the 1st Petition /Transferor Company is annexed hereto as **Annexure-2.** | 31.03.2021 | 79-120 |
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Place: Hyderabad
Date : 16.12.2021

Counsel for the Petitioners

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD

CP(CAA) No. /230/HDB/2021
CONNECTED WITH
CA (CAA) No. 37/230/HDB/2021

In the matter of the Companies Act, 2013
And
In the matter of M/s Sagar Cements (R) Limited
('Transferor Company)
And
M/s. Sagar Cements Limited
("Transferee Company)
And
Their respective Shareholders

M/s. Sagar Cements (R) Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033, Telangana, India, rep. by its Director
Sri S.Sreekanth Reddy

... 1st Petitioner/
Transferor Company

And

M/s. Sagar Cements Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033, Telangana, India, rep. by its Director
Dr.S.Anand Reddy

... 2nd Petitioner /
Transferee Company

**JOINT PETITION TO SANCTION THE SCHEME OF AMALGAMATION UNDER SECTIONS 232 READ WITH SECTION 230 OF THE COMPANIES ACT, 2013**

This Joint Petition of M/s. Sagar Cements (R) Limited and M/s. Sagar Cements Limited, being the First Petitioner and Second Petitioner respectively showeth as follows:

1. The object of this Joint Petition is to obtain the sanction of this Hon'ble Tribunal to the Scheme of Amalgamation of M/s. Sagar Cements (R) Limited with M/s. Sagar Cements Limited and their respective Shareholders with effect from 30.03.2021. (herein refer to as "the scheme")

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**FACTS OF THE CASE:**

2. Sagar Cements (R) Limited (Transferor Company): A Public Limited Company, bearing CIN: U26942KA2007PLC043746 was originally incorporated on 30th August, 2007 under the name and style of M/s BMM Cements Limited in the State of Karnataka. Later on, the Company had changed its name to Sagar Cements (R) Limited after passing necessary resolutions and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka, on 28th day of March, 2017. Later the Company changed its registered office from the State of Karnataka to the State of Telangana by passing a special resolution on 27.03.2019 and after obtaining necessary approval from the Regional Director, South East Region, Hyderabad on 21st June, 2019.The Registrar of Companies, Telangana at Hyderabad, issued a fresh certificate of incorporation on 24.07.2019 under the CIN: U40300TG2007PLC134320.The 'Transferor Company' has its registered office presently at Plot No.111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India. The 'Transferor Company' is engaged in the business of manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc.,

3. The Registered Office of the 1st Petitioner/Transferor Company is situated Plot No.111, Road No.10, Jubilee Hills, Hyderabad - 500033,Telangana, India.

**Main Objects Clause**

4. The Main Objects of the 'Transferor Company' as provided in the Clause III of its Memorandum of Association are given below:-

1. To carry on business as manufacturers, producers, processors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, stockiest, agents, sub-agents, distributors or otherwise deal in all types and kinds of cements like ordinary, white, colors, Portland, Pozzolana Aluminum, blast furnace, Silica and all other varieties of cements, lime and limestone, clinker and/or by-products thereof, as also cement products of any or all descriptions, such as pipes, poles, slabs, bricks, asbestos, sheets, blocks, tiles, garden ware, plaster of Paris, limepipes, building materials and otherwise and articles, things compounds and preparations connected with the aforesaid products and in connection therewith to take on lease or otherwise acquire, erect, construct, establish, work, operate and maintain factories, quarries, mines and workshops.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

2. To manufacture, sell, purchase, import, export or otherwise deal in all machinery used for the extraction of clay or other minerals, and all materials and components needed for the repair and maintenance of such machinery

3. To carry on business as manufacturers of bricks, tiles, paving slabs, pipes, pottery, earthenware, china and similar goods and to acquire the freehold or other interest in any land from which may be extracted clay or any other substance require for the said purposes.

4. To carry on business as manufacturers, producers, processors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, distributors or otherwise deal in chemical and chemical compounds in all forms that can be used in connection with cements and cement products.

5. To carry on the business of manufacturing, producing, casting, procuring, mastering, buying, selling, converting and in other ways dealing in all types of steels, steels castings, iron steels, ally, ingots, slabs, sheets, strips, rounds, bars, flats, sections and shapes, brass, copper, aluminum, stainless steels and other non ferrous metals, to distill refine or produce zinc, zinc oxide, zinc chloride.

6. To promote, own, run, install, takeover or set up power plant of any kind to generate, receive, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop and to undertake co-generation of electric power.

5. Nature Of Business:

The 1st Petitioner/Transferor Company is engaged in the business of manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc.,

The Memorandum and Articles of Association of the Transferor Company is annexed hereto as **Annexure-1.**

6. The Authorized, Issued, Subscribed and Paid-up capital of the Transferor Company as on 31st March, 2020 is as follows: -

| Particulars | Amount In INR |
|---|---|
| **Authorised Share Capital** | |
| 10,70,00,000 Equity Share of INR 10each | 107,00,00,000 |
| 4,30,00,000 Preference Shares of INR 10 each | 43,00,00,000 |
| **Total** | 150,00,00,000 |
| **Issued, subscribed and fully paid up shares** | |
| 10,38,12,925 Equity Share of INR 10each | 103,8129,250 |
| 4,30,00,000 Preference Shares of INR 10 each | 43,00,00,000 |
| **Total** | 146,8129,250 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Subsequent to 31st March, 2020, the Authorised share capital of the company has been increased from Rs.150,00,00,000/- to Rs.159,00,00,000/- divided into 11,60,00,000 (Eleven Crores Sixty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 4,30,00,000 (Four Crores Thirty Lakhs) Preference Shares of Rs.10/- (Rupees Ten Only) each vide Special resolution dated 21.12.2020.

The company issued and allotted 1,21,50,000 equity shares of Rs. 10/- each on Rights basis on 04.02.2021.

A copy of the Audited Balance Sheet as at 31st March, 2021 of the Transferor Company is annexed hereto as **Annexure-2.**

7. Sagar Cements Limited (Second Petitioner/Transferee Company) a Public Limited Company, bearing CIN:L26942TG1981PLC002887 was incorporated on 15th January, 1981 under the name and style of M/s Sagar Cements Limited in the erstwhile State of Andhra Pradesh (now the State of Telangana by virtue of A.P. State Re-organisation Act, 2014). The 'Transferee Company' has its registered office presently at Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India. The 'Transferee Company' is engaged in the business of manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc.,

8. The Registered Office of the 2ndPetitioner/Transferee Company is situated Plot No.111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India

**Main Objects Clause**

9. The main objects of the 2nd Petitioner/Transferee Company are set out in the Memorandum of Association which are briefly as under:-

(i) To produce, manufacture, refine, prepare, process, purchase, import, export, sell and generally to deal in all kinds of Cement, Cement products of any description, limestone, gypsum, kankar and/or byproducts thereof and in connection therewith to acquire, erect, construct, establish, operate and maintain cement factories, quarries, workshops and other work relating thereto.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(ii) To fabricate, manufacture and deal in all kinds of cement plants, apparatus, mining equipment, tools, utensils and materials and things necessary or convenient for carrying on the manufacture of cement and mining operations.

(iii) To own, explore, take on lease, or otherwise acquire any area, mining lease, quarries and to do all such other acts and deal in all such other things as may be conducive to and allied to the business of the company.

(iv) To carry on the business of buying and selling cement, bricks, limestone, sand or other earthy material or manufactured product such as titles, pavement and roofing materials. To deal in lime, plaster, clay, coke, fuel, timber, artificial stone and builders requisites and appliances.

(v) To acquire the quarries and mines of Granite and Marble and all kinds of other stones and quarry the same directly or through contractors and to act as dealers, distributors, merchants, exporters, importers, stockists and agents of raw finished, semi-finished granite and marble stones including polished or flamed tiles, panels and tomb stones.

(vi) To carry on the business as manufacturers, dealers, distributors, exporters, and importers, stockists, and agents of high-tech building materials like, mortars, glues, gouts, for installation of tiles, pavers, bricks, marbles, water proofing membranes, rapid hardening compounds, nonshrinkable compounds, anticorrosive compounds and plain and corrugated sheets used in building construction by importing technology, know-how by foreign collaboration or indigenously.

(vii) To carry on the business as manufacturers, dealers, distributors, exporters, and importers, stockists, and agents of all types of non-explosive demolishing agents used in mining, quarrys, and construction works and for demolition of concrete and civil works, by importing technology, know-how by foreign collaboration, or indigenously.

(viii) To promote, own, run, install, takeover, set up power plants of any kind as may be permitted by law and to generate, co-generate, transmit, buy and distribute electric power for captive consumption, accumulation, sale and re-sale.

10. Nature Of Business

The 2nd Petitioner/Transferee Company is engaged in the business manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc.,

The Memorandum and Articles of Association of the 2nd Petitioner / Transferee Company is annexed hereto as **Annexure-3.**

11. The Authorized, Issued, Subscribed and Paid-up share capital of 2nd Petitioner/Transferee Company as on 31st March, 2020 is as follows:-

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Particulars | Amount In INR |
|---|---|
| **Authorised Share Capital**<br>2,35,00,000 Equity Shares of INR 10 each | 23,50,00,000 |
| **Total** | 23,50,00,000 |
| **Issued, subscribed and fully paid up shares**<br>2,22,75,000 Equity Shares of INR 10 each | 22,27,50,000 |
| **Total** | 22,27,50,000 |

Subsequent to 31st March, 2020, the company allotted 12,25,000 equity shares of Rs.10/-each on 20.07.2020 against conversion of 12,25,000 outstanding convertible warrants.

A copy of the audited Balance Sheet as at 31st March, 2021 of the 2nd Petitioner/ Transferee Company is annexed hereto as **Annexure-4.**

12. **RATIONALE AND PURPOSE OF THE SCHEME OF AMALGAMATION**

The Board of Directors of the Transferor Companies and Transferee Company envisage the following benefits pursuant to the Amalgamation/Merger of the Transferor Company with the Transferee Company:

a. Reduction in the cost of overheads and improvement in professional management.

b. Reduction in multiplicity of legal and regulatory compliances and simplification of group structure.

c. Enhance the scale of operations thereby providing significant impetus to the growth of the Companies, since they are engaged in line of business that could draw upon synergies between the Transferor Company and the Transferee Company.

d. Consolidation of Transferor Company with the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital and improved financial structure.

e. The benefit of consolidation of financial resources, managerial and technical expertise of the Transferor Company and the Transferee Company shall be available to the Transferee entity leading to the overall optimization of operational and administration costs.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

f. The amalgamation will rationalize and optimize the group legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and also statutory compliances.

g. will achieve synergies in business activity, consolidation, focused attention, centralized administration, economy of operation, integrated business approach and greater efficiency.

13. **BOARD RESOLUTIONS**

In view of the aforesaid, the Board of Directors of the 1st Petitioner/ Transferor Company vide its resolution dated 26th April, 2021 and of the 2nd Petitioner/Transferee Company vide its resolution dated 26th April, 2021 respectively approved the Scheme of amalgamation of M/s Sagar Cements (R), (hereinafter referred to as the **"Transferor Company"**) and M/s Sagar Cements Limited (hereinafter referred to as the **"Transferee Company"**) and their respective shareholders.

A copy of Board Resolution of the 1st Petitioner/Transferor Company and 2nd Petitioner/Transferee Company approving the Scheme of Amalgamation are annexed hereto and marked as **Annexure– 5 and 6** respectively.

14. Some of the salient / material features of the proposed Scheme are as under:

**AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

**TRANSFER OF UNDERTAKING(S) OF THE TRANSFEROR COMPANY**

**General**

Upon this Scheme coming into effect and with effect from the Appointed Date defined in Clause 3.4 in Part I of the Scheme, the undertaking(s) of the Transferor Company shall, pursuant to the sanction of this Scheme by the NCLT and in accordance with section 2(1B) of the IT Act and Section 232 read with Section 230 and other applicable provisions, if any, of the Companies Act, 2013, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concerns without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Transfer of Assets**

Without prejudice to the generality of Clause 7.1 of the scheme, upon coming into effect of this Scheme and with effect from the Appointed Date:

All assets and properties (more specifically described in Annexure A to this Scheme) comprised in the Undertaking(s) of the Transferor Company, of whatsoever nature and wheresoever situated, shall, under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act or deed be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Transferee Company provided that Board of Directors of the Transferee Company shall be entitled, at its discretion and as may be advised or considered fit, expedient or necessary, to determine the classification/ reclassification and treatment of any or all of the assets transferred to and vested in the Transferee Company pursuant to this Scheme.

Without prejudice to the provisions of sub-clause (a) above in respect of such of the assets and properties of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of its Undertakings without requiring any deed or instrument or conveyance for the same.

In respect of the movables other than those dealt with in sub-clause (b) above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be recovered, bank balances, investments, subsidy receivable, earnest money and deposits with any Government, quasi-government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may if it so deems appropriate, give notice in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that the said debt, loan, advance, balance or deposit stand transferred and vested in the Transferee Company).

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

All the licenses, permits, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, customer registrations, customer approvals, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or deemed to be transferred to and vested in or be available to the Transferee Company so as to become as and from the Appointed Date, licenses, permits, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, customer registrations, customer approvals, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be the properties of the Transferee Company and shall under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be vested in and be deemed to have been vested in the Transferee Company upon the coming into effect of this Scheme.

Where the Transferor Company is entitled to any benefits under incentive schemes and policies and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies shall be transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, including sales tax concessions and incentives, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Transferor Companies.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**TRANSFER OF LIABILITIES**

Upon the Scheme coming into effect and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking(s) of the Transferor Company including all debts, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and however arising, raised or incurred or utilized for business activities and operations along with any charge, encumbrances, lien or security thereon (hereinafter referred to as "Liabilities") shall, pursuant to coming into effect of the Scheme and under the provisions of Section 232read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. Such liabilities shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as from the Appointed Date, the Liabilities of the Transferee Company, on the same terms and conditions as were applicable to the Transferor Companies. The Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this clause.

All debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged after the Appointed Date and prior to the Effective Date by the Transferor Company, such discharge shall be deemed to be for and on account of the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to or vested in or deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company loans, advances and other obligations with effect from the Appointed Date.

The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further, or additional security therefore after the amalgamation has become effective or otherwise.

The Transferor Company shall ensure to comply with all the applicable laws and the officers in default of the Transferor Company shall not be absolved of their statutory liability prior to the amalgamation.

**ENCUMBRANCES**

The transfer and vesting of the assets comprised in the Undertaking(s) of the Transferor Company respectively to and in the Transferee Company under Clause 7.1 and Clause 8.1 of this Scheme shall be subject to the mortgage and charges, if any, affecting the same as hereinafter provided.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

All the existing securities, charges, encumbrances or liens (hereinafter referred to as "Encumbrances"), if any, created by the Transferor Company after the Appointed Date, in terms of the Scheme, over the assets comprised in their respective Undertakings or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to Liabilities of the Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. Provided however that while all existing charges on the assets against loans obtained, if any, by the Transferor Company would be transferred pursuant to this Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged or required to create any further or additional security therefore after the amalgamation has become effective or otherwise.

The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

Any reference in any security documents or arrangements (to which Transferor Company are party) to the Transferor Company and in assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company as the case maybe and the Transferee Company may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of the Scheme.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

The provisions of the Clause 7.2 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writing shall stand modified and/or superseded by the foregoing provisions.

The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation in favour of the creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Companies, required to be carried out or performed.

**LEGAL PROCEEDINGS**

On and from the Appointed Date, all suits, actions and legal proceedings (hereinafter referred to as '**Proceedings**') by or against the Transferor Company arising on or before the Effective Date shall be continued and/or enforced as desired by the Transferee Company and on and from the

Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company with any union/employee of the any Transferor Company.

For SAGAR CEMENTS (R) Ltd.

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**EMPLOYEES**

Upon coming into effect of this Scheme:

i. The permanent employees, if any, of the Transferor Company who are in employment as on the Effective Date shall become the employees of the Transferee Company with effect from the Effective Date, i.e. from the appointed date, without any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Transferor Companies. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by any Transferor Company with any union/employee of the Transferor Company.

ii. The existing provident fund, gratuity fund, pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned employees of the Transferor Company(collectively referred to as "Funds"), if any, and the investment made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Company. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute therein, until such time as the Transferee Company creates its own funds into which the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the written consent of the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and/or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and/or other terminal benefits, and/or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Company shall also be taken into account by the Transferee Company, who shall pay the same as and when payable.

**SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and the vesting of the Undertaking(s) of the Transferor Company under Clause 7 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**CONSIDERATION**

The entire issued and paid-up equity and preference share capital of the Transferor Company is held by the Transferee Company and its nominees. Accordingly, the equity and preference shares held by the Transferee Company in the Transferor Company shall, on and from the end of the Transition Period, be cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly, no shares of the Transferee Company shall be issued to the shareholders of the Transferor Company in lieu of the said amalgamation.

The shares of the Transferor Company, in relation to the shares held by its members, shall without any further application, act, instrument or deed be deemed to have been automatically cancelled and be of no effect on and from the end of the Transition Period.

For SAGAR CEMENTS (K) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**ACCOUNTING TREATMENT**

**Accounting Treatment in the books of Transferee Company**

Upon coming into effect of this scheme, the Transferee Company shall account for the amalgamation in its books of accounts in accordance with 'pooling of interest method' of accounting as laid down in the Indians Accounting Standards (IND AS) 103 -Business Combinations and relevant clarifications issued by Institute of Chartered Accountants of India. Accordingly, the financial information in the financial statements in respect of the prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination and such restatement shall not be considered or treated to be a revision of financial statements in terms of the provisions of Section 131 of the Act.

Upon the Scheme coming into effect from the Appointed Date, the Transferee Company shall account for the merger of the Transferor Company with the Transferee Company in accordance with "the Pooling of Interest method" as per Appendix C of Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Act, relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India as follows:

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall account the transaction as per the applicable accounting principles prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. With effect from the appointed date, all the assets, liabilities and reserves if any of the Transferor Company vested in it pursuance to this scheme shall be recorded at their respective carrying amounts i.e. Book value and in the same form as appearing in the Consolidated Financial Statements of transferee company.

The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Any inter-company balance(s) if any between the Transferor Company and the transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date".

**Accounting Treatment in the books of Transferor Companies**

As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

**VALIDITY OF EXISTING RESOLUTIONS, ETC.,**

Upon the coming into effect of this Scheme, resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under similar resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

## GENERAL TERMS AND CLAUSES

## DISSOLUTION WITHOUT WINDING UP

Upon this Scheme becoming effective, the Transferor Company shall, without any further, act, or deed, stand dissolved without going through the process of winding up upon such terms as the NCLT may direct or determine.

## APPLICATIONS TO THE NCLT

The Transferor Company and the Transferee Company shall make all necessary joint applications/petitions to the NCLT under Sections 232 read with Section 230 and other applicable provisions of the Act, for seeking its approval of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.

On this Scheme being agreed by the requisite majority of members and creditors of the respective Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company shall apply to the NCLT for sanction of this Scheme under Section 232 read with Section 230 of the Act and other applicable provisions of the Act, and for such other order, or orders, as the NCLT may deem fit for carrying this Scheme into effect.

Upon this Scheme becoming, effective, the shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

It is hereby clarified that filing of the Scheme to the NCLT and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that the companies have or may have under or pursuant to all applicable laws.

The Transferor Company and the Transferee Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme, including making the required RoC filings.

The Transferee Company and the Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company and provide such intimations to the Appropriate Authority wherever required.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr S. ANAND REDDY
MANAGING DIRECTOR

**MODIFICATIONS OR AMENDMENTS TO THIS SCHEME**

The Transferor Company and the Transferee Company, by their respective Boards, may make and consent to any modification(s) or amendment(s) to this Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them, provided that any such modification(s) or amendment(s) to this Scheme after the approval of this Scheme by the NCLT shall be subject to the prior approval of the NCLT. The Transferor Company and the Transferee Company by their respective Boards, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith.

For the purpose of giving effect to this Scheme or to any modification(s) or amendment(s) thereof or additions thereto, the directors of the Transferee Company may give and is hereby authorised to determine and give all such directions as are necessary, including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS**

This Scheme is conditional upon and subject to:

Approval of this Scheme by the NCLT, whether with any modification or amendment as the NCLT may deem appropriate or otherwise; and

The certified copies of the NCLT's orders sanctioning this Scheme being filed with the Registrar of Companies, Telangana at Hyderabad by the Transferor Company and the Transferee Company.

**EFFECT OF NON-RECEIPT OF APPROVALS**

In the event that this Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions specified in this Scheme are not obtained or complied with or this Scheme cannot be implemented for any other reason, this Scheme shall stand revoked and cancelled and shall have no effect, and each of the Transferor Company and the Transferee Company shall bear their own costs, charges and expenses in connection with this Scheme, unless otherwise mutually agreed.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

In the event of non-receipt of approval of any lender or creditor for the transfer of any liability, then at the option of the Board of the Transferee Company, it may issue a security or recognize a liability in favour of the lender or the creditor, as the case may be, on the same terms.

The transfer of such asset or liability shall become effective from the Appointed Date as and when the requisite approvals are received or the liability or security abovementioned be recognized or issued and the provisions of this Scheme shall apply appropriately to the said transfer, recognition and issue.

**COSTS**

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or NCLT's order including this Scheme or in relation to or in connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of scheme of Amalgamation in pursuance of this Scheme shall be borne and paid by the Transferee Company. The Transferee Company shall be eligible for deduction of expenditure incurred as per section 35DD of the IT Act.

**MISCELLANEOUS**

After the transfer, the combined assets shall be sufficient to meet the combined liabilities of the Transferee Company and the said Scheme will not adversely affect the rights of any of the creditors of any of the Companies in any manner whatsoever and the assets of the amalgamated company (i.e. the Transferee Company) shall be sufficient for payment of all liabilities as and when the same fall due in usual course.

In the event of non-fulfilment of any or all obligations under the Scheme by any company towards the other company, inter-se or to third parties and non-performance of which will put the other company under any obligation, then such company will indemnify the other company in respect of all costs/interests, etc.

On the approval of the Scheme by the members of the Transferor Company pursuant to Section 232 read with Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under other provisions of the Act to the extent the same may be considered applicable for the purpose of this Scheme.

For SAGAR CEMENTS (K) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

It is the intention of the parties that any Part of the Scheme, as may be mutually decided by the Board of each of the Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

A copy of the Scheme of Amalgamation as approved by the Board of Directors of 1st Petitioner/Transferor Company and 2nd Petitioner/Transferee Company are annexed hereto as **Annexure-7.**

15. It is respectfully submitted that this Hon'ble Tribunal vide orders dated 28.10.2021 passed in Joint CA (CAA) No.37/230/HDB/2021 filed under Section 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 was pleased to dispense with the convening the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the First Petitioner / Transferor Company.

This Hon'ble Tribunal further directed to convene the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Second Petitioner / Transferee Company on 8.12.2021 at 11.00 A.M, 1.30 P.M. and 3.00 P.M. through Video Conferencing/Other Audio Visual Means respectively and appointed Shri B Venkata Prasad , Advocate, as Chairman for convening the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Second Petitioner / Transferee Company. A copy of the said order by this Hon'ble Tribunal is annexed hereto as **Annexure-8.**

As directed by this Hon'ble Tribunal, Notice of the meeting was sent individually to the Equity Shareholders, Secured and Unsecured Creditors of the Second Petitioner / Transferee Company by the Chairman appointed for the said meetings as required by the Order dated 28th October, 2021 together with copy of Scheme of Amalgamation and statement as required under Sec. 230(5) of the Companies Act, 2013 and Form of Proxy.

For SAGAR CEMENTS (R) Limited

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Further, as directed by this Hon'ble Tribunal, the Chairman got the notice of the aforesaid meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Second Petitioner/Transferee Company published by advertisement in "Business Standard" and "Nava Telangana" dated 8th and 7th November, 2021 respectively, both published from Hyderabad editions.

The meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Second Petitioner/Transferee Company were convened on 08.12.2021 at 11.00 A.M, 1.30 P.M. and 3.00 P.M. respectively in accordance with the said orders by B.Venkata Prasad , Advocate as Chairman for the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Second Petitioner / Transferee Company.

The said meeting of the Equity Shareholders was attended by 68 Equity Shareholders of the said company holding 8,70,17,321 Equity Shares out of the total Paid-up Capital of the Company.

The said meeting of the Secured Creditors was attended by 3 Secured Creditors of the said company entitled for Rs.259,21,85,082/- (Rupees Two Hundred and Fifty Nine Crores Twenty One Lakh Eighty Five Thousand and Eighty Two only ) out of the total secured debt due by the company.

The said meeting of the Unsecured Creditors attended by 32 Unsecured Creditors of the said company entitled for Rs.45,82,29,139/- (Rupees Forty Five Crores Eighty Two Lakh Twenty Nine Thousand and One Hundred Thirty Nine only) out of the total unsecured debt due by the company.

The Scheme of Amalgamation of *M/s. Sagar Cements (R) Limited ('Transferor Company') and M/s. Sagar Cements Limited ('Transferee Company') and their respective shareholders* ("Scheme") was read out and explained by the

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Chairman appointed for meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors. The question submitted to the said meetings was whether the Equity Shareholders, Secured and Unsecured Creditors of the 2nd Petitioner/Transferee Company agreed to the Scheme of Amalgamation submitted to the meetings and agreed thereto.

The Equity Shareholders, Secured Creditors and Unsecured Creditors of the 2nd Petitioner/Transferee Company, who attended and voted at the meetings were of the opinion that the Scheme of Amalgamation should be approved and agreed to and passed the following resolution unanimously with requisite Majority:-

***RESOLVED THAT*** *pursuant to the provisions of Sections 232 read with 230 and other applicable provisions, if any, of the Companies Act, 2013 along with the related rules and enabling provisions in the Memorandum and Articles of Association of the Company, subject to the requisite approvals and subject to the sanction of the National Company Law Tribunal ("Tribunal"), Hyderabad Bench at Hyderabad, the scheme of Amalgamation of M/s. Sagar Cements (R) Limited ('Transferor Company') and M/s. Sagar Cements Limited ('Transferee Company') and their respective shareholders (the "**Scheme**") placed before this meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved.*

***RESOLVED FURTHER THAT*** *the Board of Directors of the Company (the "Board") be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

The Chairman appointed for respective meetings submitted / reported the result of the said meetings to this Hon'ble Tribunal on 14th December, 2021.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

Fo SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

16. No investigation proceedings in relation to the Transferor Company or the Transferee Company under Sections 235 to 251 of the Companies Act, 1956 or the corresponding Sections 210 to 227 of the Companies Act, 2013 are pending against the respective Applicant/Petitioner Companies.

17. The Transferor Company being an unlisted company, no approval is necessary from any stock exchange. Further, it is submitted that the Transferee Company is a listed company listed on the BSE Limited and NSE. It is submitted that the proposed Scheme being a Scheme of arrangement involving amalgamation of the wholly owned subsidiary with its holding company, by virtue of Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "SEBI (LODR)"], the Transferee Company is not required to obtain an Observation/No Objection letter from Stock Exchanges.

18. Notice of this petition may please be directed to be served on Central Government i.e. Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad at 3rd Floor, Corporate Bhawan, Thattiannaram Village, Nagole, Bandlaguda, .Hayatnagar Mandal, Hyderabad-500 068 as contemplated Under Section 230 to 232 of the Companies Act, 2013 and Rules made thereunder.

20. Notice of this petition may please be directed to be served on The office of Registrar of Companies (ROC), Telangana, 2ndFloor, Corporate Bhawan, GSI Post, Thatte Annaram, Nagole, Bandlaguda, Hyderabad-500 068, Telangana as contemplated Under Section 230 to 232 of the Companies Act, 2013 and Rules made thereunder.

21. Notice of this petition in case of 1st Petitioner / Transferor Company may please be directed to be served on Official Liquidator, High Court Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh,1st Floor, Corporate Bhawan, GSI Post, Thatte Annaram, Nagole, Bandlaguda, Hyderabad-500 068, Telangana as contemplated Under Section 230 to 232 of the Companies Act, 2013 and Rules made thereunder.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

22. Notice of this petition may please be directed to be published in the Business Standard, (Hyderabad edition) and Nava Telangana (Hyderabad edition) as contemplated under Rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

23. It is respectfully submitted that the sanctioning of the Scheme of Amalgamation would be beneficial to both the Petitioner Companies and as well as their respective shareholders, creditors and employees.

The Petitioner Companies therefore pray: -

a) That the scheme of amalgamation as consented by the Equity Shareholders, secured and unsecured creditors of the First Petitioner / Transferor Company and as approved by the Equity Shareholders, Secured and Unsecured Creditors of 2nd Petitioner / Transferee Company, a copy of which is filed hereto as **Annexure-7** be sanctioned and confirmed by this Hon'ble Tribunal so as to be binding on all the members, creditors and employees of both the Petitioner Companies and all concerned.

b) For an order that the First Petitioner/Transferor Company be dissolved without going through the process of winding up.

c) For an order under sub-section 5 of Sec. 232 of the Companies Act, 2013 that the Petitioner Companies do within 30 days after the date of receipt of certified copy of the orders, cause a certified copy of it to be delivered to the Registrar of Companies Telangana, Hyderabad for registration and on such certified copy being delivered or such date as this Hon'ble Tribunal may deem fit, the Registrar of Companies, Telangana, Hyderabad shall take all necessary consequential actions in respect of the Petitioner Companies as per the provisions of the Scheme;

d) For an order that the parties of the scheme or other persons interested shall be at liberty to apply to this Hon'ble Tribunal for any direction that may be necessary in regard to the carrying out of the scheme of amalgamation; and

For SAGAR CEMENTS (H) Ltd.

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

e) For such order or orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case.

For M/s. Sagar Cements (R) Limited

Director

For M/s. Sagar Cements Limited

Director

Date: 14.12.2021.
Place: Hyderabad

Phone No:
Sold To/Issued To:
Sreekanth
Sagar cements
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DEC-14-2021 18:44:26
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Affidavit
3816314 06/2007

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD

CP(CAA) No. /230/HDB/2021
CONNECTED WITH
CA (CAA) No. 37/230/HDB/2021

27

In the matter of the Companies Act, 2013

And
In the matter of M/s Sagar Cements (R) Limited
('Transferor Company)

And
M/s. Sagar Cements Limited
("Transferee Company)
And
Their respective Shareholders

M/s. Sagar Cements (R) Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033,Telangana, India, rep. by its Director
Sri S.Sreekanth Reddy

... 1st Petitioner/
Transferor Company

And

M/s. Sagar Cements Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033,Telangana, India, rep. by its Director
Dr.S.Anand Reddy

... 2nd Petitioner /
Transferee Company

**GENERAL AFFIDAVIT VERIFYING PETITION**

We,(1).S.Sreekanth Reddy, S/o. S.Veera Reddy, Age: 49 years, residing at Plot No.854, Sy.No.102/1, Road No.44, Jubilee Hills, Hyderabad-500 033 and (2) Dr. S.Anand Reddy, S/o. S.Veera Reddy, Age: 57 years, residing at Plot No.1254, Road No.63, Jubilee Hills, Hyderabad-500 033, do solemnly affirm and say as follows:

1. We, (1) S. Sreekanth Reddy, the Director of M/s Sagar Cements (R) Limited 1st Petitioner Company, (2). Dr. S.Anand Reddy, Managing Director of M/s Sagar Cements Limited, the Second Petitioner Company are duly authorized by the 1st Petitioner Company and the 2nd Petitioner Company respecetively to make this affidavit on behalf of the respective companies.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

NOTARY * INDIA * GOVT. OF
S. BHASKAR
Flimpgutta
Hyd-82, Telangana
Regd. No: 7265

2. The Statement made in paragraphs 1 to 23 of the petition herein now shown to us are true to our knowledge and the statements made in the other paragraphs are based on the information that we believe to be true.

For M/s. Sagar Cements (R) Limited

S.Sreekanth Reddy
Director

For M/s Sagar Cements Limited

Dr.S.Anand Reddy
Managing Director

DEPONENTS

Solemnly affirm and signed before me
On this 14th day of December, 2021 At Hyderabad

14 DEC 2021

ATTESTED
S. BHASKAR B.A., LL.B
ADVOCATE & NOTARY
H. No: 6-3-392, Punjagutta,
Behind Police Station
Hyderabad - 82, Telangana, India
Phone : 9392535629

NOTARY * GOVT. OF INDIA * NOTARIAL
S. BHASKAR
Punjagutta
Hyd-82
Regd. No. 265

Annexure - 1

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# SAGAR CEMENTS (R) LIMITED

## MEMORANDUM
## AND
## ARTICLES OF ASSOCIATION

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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सत्यमेव जयते

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

2nd Floor, CPWD Building Kendriya Sadan, Hyderabad, Telangana, India, 500195

Corporate Identity Number: U40300TG2007PLC134320

## SECTION 13(5) OF THE COMPANIES ACT, 2013

### Certificate of Registration of Regional Director order for Change of State

M/s SAGAR CEMENTS (R) LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the state of Karnataka to the Telangana and such alteration having been confirmed by an order of Regional Director bearing the date 21/06/2019.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at Hyderabad this Twenty fourth day of July Two thousand nineteen.

DS MINISTRY OF CORPORATE AFFAIRS 01

RAMESH CHANDRA MISHRA

Registrar of Companies

RoC - Hyderabad

Mailing Address as per record available in Registrar of Companies office:

SAGAR CEMENTS (R) LIMITED

PLOT NO.111, ROAD NO.10, JUBILEE HILLS, HYDERABAD, Hyderabad, Telangana, India, 500033

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Office of the Registrar of Companies

E' Wing, 2nd Floor Kendriya Sadana, Bangalore, Karnataka, India, 560034

**Certificate of Incorporation pursuant to change of name**

*[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]*

Corporate Identification Number (CIN): U40300KA2007PLC043746

I hereby certify that the name of the company has been changed from BMM CEMENTS LIMITED to SAGAR CEMENTS (R) LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name BMM CEMENTS LIMITED.

Given under my hand at Bangalore this Twenty eighth day of March two thousand seventeen.

DS Ministry of Corporate Affairs - (Govt of India) 18

M JAYAKUMAR
Registrar of Companies
Registrar of Companies
RoC - Bangalore

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Mailing Address as per record available in Registrar of Companies office:

SAGAR CEMENTS (R) LIMITED

19/13, OLD # 19/5, 19/6, 3RD FLOOR, WESTERN SIDE, KAREEM TOWERS, S.R.T.ROAD, (CUNNINGHAM ROAD), BANGALORE, Bangalore, Karnataka, India, 560052

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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# प्रारुप 1
# पंजीकरण प्रमाण–पत्र

कार्पोरेट पहचान संख्या : U26942KA2007PLC043746 2007 - 2008

मैं एतद्द्वारा सत्यापित करता हूँ कि मैसर्स

BMM Cements Limited

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक तीस अगस्त दो हजार सात को मेरे हस्ताक्षर से बेंगलूर में जारी किया जाता है।

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# Form 1
# Certificate of Incorporation

Corporate Identity Number : U26942KA2007PLC043746 2007 - 2008

I hereby certify that BMM Cements Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Bangalore this Thirtieth day of August Two Thousand Seven.

(V C DAVEY)

कम्पनी रजिस्ट्रार / Registrar of Companies

कर्नाटका

Karnataka

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

BMM Cements Limited

No101, 1st Floor, Pride Elite No.18,, Museum Road,

Bangalore - 560001,

Karnataka, INDIA

For SAGAR CEMENTS (P) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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# व्यापार प्रारंभ करने का प्रमाण-पत्र

कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U26942KA2007PLC043746

मैं एतद्द्वारा सत्यापित करता हूँ कि मैसर्स
BMM Cements Limited

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक तीस अगस्त दो हजार सात को किया गया था और जिसने निर्धारित रूपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण-पत्र आज दिनांक ग्यारह दिसम्बर दो हजार सात को मेरे हस्ताक्षर से बेंगलूर में जारी किया जाता है।

# Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U26942KA2007PLC043746

I hereby certify that the BMM Cements Limited which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Thirtieth day of August Two Thousand Seven , and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Bangalore this Eleventh day of December Two Thousand Seven.

(SAJEEVAN C V)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

कर्नाटका

Karnataka

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

BMM Cements Limited
No101, 1st Floor, Pride Elite No.10,, Museum Road,
Bangalore - 560001,
Karnataka, INDIA

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

**INCORPORATED**

**UNDER THE COMPANIES ACT, 1956**

**(1 OF 1956)**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**SAGAR CEMENTS (R) LIMITED**

I. The name of the Company is **SAGAR CEMENTS (R) LIMITED**

II. The Registered office of the Company will be situated in the **State of Telangana**

III. The objects for which the Company is established are:

1. To carry on business as manufacturers, producers, processors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, stockiest, agents, sub-agents, distributors or otherwise deal in all types and kinds of cements like ordinary, white, colors, Portland, Pozzolana Aluminum, blast furnace, Silica and all other varieties of cements, lime and limestone, clinker and/or by-products thereof, as also cement products of any or all descriptions, such as pipes, poles, slabs, bricks, asbestos, sheets, blocks, tiles, garden ware, plaster of Paris, lime pipes, building materials and otherwise and articles, things compounds and preparations connected with the aforesaid products and in connection therewith to take on lease or otherwise acquire, erect, construct, establish, work, operate and maintain factories, quarries, mines and workshops.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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2. To manufacture, sell, purchase, import, export or otherwise deal in all machinery used for the extraction of clay or other minerals, and all materials and components needed for the repair and maintenance of such machinery
3. To carry on business as manufacturers of bricks, tiles, paving slabs, pipes, pottery, earthenware, china and similar goods and to acquire the freehold or other interest in any land from which may be extracted clay or any other substance require for the said purposes.
4. To carry on business as manufacturers, producers, processors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, distributors or otherwise deal in chemical and chemical compounds in all forms that can be used in connection with cements and cement products.
5. To carry on the business of manufacturing, producing, casting, procuring, mastering, buying, selling, converting and in other ways dealing in all types of steels, steels castings, iron steels, illy, ingots, slabs, sheets, strips, rounds, bars, flats, sections and shapes, brass, copper, aluminum, stainless steels and other non ferrous metals, to distill refine or produce zinc, zinc oxide, zinc chloride.
6. To promote, own, run, install, takeover or set up power plant of any kind to generate, receive, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop and to undertake co-generation of electric power .

## B. OBJECTS INCIDENTAL OR ANCILLAIARY TO THE ATTAINMENT OF THE MAIN OBJECT AND OTHER OBJECTS ARE:-

1. To establish and maintain offices and/or agencies at any place or places in India or other parts of the world for the conduct of the business of the Company or the purchase and sale of services, goods, merchandise, materials, articles and things required for or dealt in or manufactured by or at the disposal of the Company.

2. To employ or to depute personnel or otherwise acquire technical experts, engineers, foremen or skilled and unskilled labour for any of the purposes of the Company.

3. To make, undertake, encourage, experiment, research and invent about the business of the Company.

4. To apply for tender, purchase or otherwise acquire, contracts, subcontracts, licenses and concessions, for all or any of them and to undertake, execute, carryout, dispose of or otherwise turn to account the same, and to subject all or any contracts from time to time and upon such terms and conditions as may be thought expedient in relation to business of the Company.

5. To give any guarantee or provide any security in connection with any loan made by any other persons, firm or body corporate to any other person, firm or body corporate for any purpose whatsoever and on any terms whatsoever.

6. To enter into partnership or into any arrangements for sharing profits, co-opetation, amalgamation, union of interests, joint venture, reciprocal concession with any Govt. authority, persons, firms or Company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized to carry on or

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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engage in, or any business or transaction which may seem capable of being carried on or conducted as directly or indirectly to benefit the Company and to lend surplus money to, guarantee the contracts of, or otherwise assist any such person, firm or Company and to take or otherwise acquire and hold shares or securities of any person, firm or Company and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.

7. To amalgamate or merge with any other Company having objects altogether or in part similar to those of this Company.

8. To deal with the surplus moneys of the Company not immediately required in such manner as may from time to time be determined by the Board of Directors.

9. To establish and support or aid in establishment of associations, institutions, funds, trust and conveniences calculated to benefit the employees of the Company or the dependants or relatives of such persons and to grant pension, allowances and to make payments towards insurance.

10. To subscribe or guarantee surplus money for any charitable, benevolent, public or general or useful object or for any exhibitions.

11. To transfer property of this Company on such terms and conditions to any other person, firm or body corporate in lieu of cash or share or debentures of the concern as the case may be, in the best interest of the Company.

12. To sell subject to any concession, licenses obtained or contracts entered into by the Company for cash or for shares or obligations of any person or persons.

13. To draw, accept, make endorse, discount, negotiate, execute and issue cheques, promissory notes, hundies, bills of exchange, bills of lading and other negotiable or transferable instruments or securities connected with the business of the Company.

14. To borrow or raise surplus money at interest or otherwise in such manner as the Company may think fit and in particular or otherwise in security of such money so borrowed, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital and to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient, and to purchase, redeem or pay off any such securities.

15 To insure all or any properties, assets, undertakings, contracts, guarantees or obligations of the Company of whatsoever nature and kind against any risk whatsoever.

16. To do all or any of the above things either as principles, agents, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise.

17. To pay all costs, charges and expenses to the promotion, formation, registration and establishment of the Company and to remunerate any person for services rendered in

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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introduction of any property or business to the Company, or for any other reason which the Company may think proper.

18. To procure the registration or recognition of the Company in or under the laws of any place outside India and to establish and regulate agencies in any country, state or place for the purpose of Company's business and to apply or join in making an application to any Government, quasi-judicial authority or any court of law for any acts of parliaments, laws, decrees, orders, rights and privileges that may seem conducive to the Company's objects and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

19. To create any depreciation fund, reserve fund, sinking fund or any other special fund for prepating, improving extending or maintaining any of the property of the Company, or for any other purpose conducive to the interest of the Company.

20. In the event of winding up, to distribute among the members of the Company, in specie or in kind any property of the Company, and in particular any shares, debenture, securities of other Company's belonging to this Company or of which this Company may have the power of disposing, but so as not to prejudice the provisions of Section 511 of the Companies Act, 1956.

21. To train or pay for the training in India or abroad of any of the Company's officers or Employees or any other candidate in the interest of or for the furtherance of the Company's objects.

22. To enter into all sorts of internal or foreign collaboration, technical assistance, financial or commercial arrangement.

23. To apply for, purchase, or otherwise acquire, any patents, trade marks, invention, licenses, concessions, and the like conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to by invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.

24. To refer all questions, disputes or differences arising between the Company and any other person whosoever (other than a Director of the Company) in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon in each case, and such reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the rules and regulations of the International Center for alternative Dispute Resolution relating to arbitration or otherwise

25. To promote any other Company for the purpose of acquiring all or any property thereof of or for any purpose which may seem directly or indirectly to benefit this Company or whatsoever.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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26. To arrange, manage, promote, motivate, subsidise and organize training programmes for the employees, trainees and apprentices at all levels as may be conducive to the interest of the Company.

**(C) OTHER OBJECTS FOR WHICH THE COMPANY IS INCORPORATED ARE:-**

1. To carry on the business of builders, contractors, erectors, construction of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial or developer of co-operative housing societies, developers of housing schemes, townships, holiday resorts, hotels, motels and in particular preparing of building sites, reconstructing, erecting, altering, improving, enlarging, developing decorating, furnishing and maintaining of structures, flats, houses, factories, shops, offices, garages, ware-house, buildings works, workshop, hospitals, nursing homes, clinics, go-downs and other commercial, educational purposes and conveniences to purchase for development investment or for resale lands houses, buildings structures and other properties of any tenure and any interest therein and purchase, sell and deal in free hold and lease-hold land and to make advances upon the security of lands, houses, structures and other property or any interest therein and to purchase, sell, lease, hire, exchange or otherwise deal in land and house property and other property whether real or personal and to turn the same into account as may seem expedient in any part of the world.

2. To promote, run, establish, install or setup integrated steels plants, composite steels plants, hot rolling steels mills, cold rolling mills, blooms and billet mills, steels furnaces, concasts, rolling mills, furnaces for the manufacturing, producing, converting, extracting, treating or processing of all types, grades and sizes of steels, stainless steels, special steels, high speed steels, dye steels, electrical steels, case hardening steels, nitriding steels, ball bearing steels, corrosion steels, heat resisting steels, free cutting steels, spring steels, silico manganese steels, structural steels, ship building quality steels, armour steel, magnet steel, hot rolled and cold rolled grain oriented electrical steels or any other type of steels present or future and any products, by products, compounds and alloys thereof.

3. To carry on in India or elsewhere the business of steel structures like angels, bars, rounds, channels, sections, joints, plats, founders and manufacturers, steel makers, steel converters and to manufacture metallurgical products and other non ferro founders, furnace proprietors and workers, metal and alloy makers and as refiners, metallurgist, galvanizers, machinists, smiths, welders and metal workers.

IV. The liability of the members of the Company is limited.

V. "The Authorised Share Capital of the Company is Rs.159,00,00,000/- (Rupees One Hundred and Fifty Nine Crores) divided into 11,60,00,000 (Eleven Crores Sixty Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each and 4,30,00,000 (Four Crores Thirty Lakhs) preference shares of Rs.10/- (Rupees Ten Only) each with the power to increase or reduce the capital of the Company and to divide the shares in the

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

the capital for the time being into several classes and to attach thereto respectively such rights as may be determined by or in accordance with Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights in such manner as may be for the time being be provided in the Articles of Association of the Company."*

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* The Shareholders have accorded their approval in the Extra-Ordinary General Meeting held on 21st December, 2020 to increase the Authorised Share Capital of the Company through Special Resolution.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company set opposite to our respective names.

| Sl. No | Names, addresses, description and occupation of the subscribers | Number of shares taken by each subscriber | Signature of the subscriber | Signature, name address, description and occupation of the witness |
|---|---|---|---|---|
| 1 | Dinesh Kumar Singhi<br>S/o Late Udaychand Singhi, Kamala Nivas,<br>19, Infantry Road,<br>Cantonment, Bellary – 583104<br>Karnataka<br><br>Business | 19800 | | Sumana Rao<br>W/o Raghavendra Rao<br>1044, 27th Main, 9th Block, Jayanagar<br>Bangalore- 560069<br><br>Company Secretary |
| 2 | Snehalatha Singhi<br>D/o Kanhayalal Singhi,<br>Kamala Nivas,<br>19, Infantry Road,<br>Cantonment, Bellary – 583104<br>Karnataka<br><br>Business | 19800 | | |
| 3 | Laxmipat Dudheria<br>S/o Kanhaiyalal Dudheria<br>No.20, Vasavi Plaza,<br>DVG Road, Basavangudi,<br>Bangalore – 560 004<br>Karnataka<br><br>Business | 10000 | | |
| | Total | | | |

Dated this 24th day of August 2007 Place: Bangalore

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company set opposite to our respective names.

| Sl. No | Names, addresses, description and occupation of the subscribers | Number of shares taken by each subscriber | Signature of the subscriber | Signature, name address, description and occupation of the witness |
|---|---|---|---|---|
| 4 | Ravi Jain<br>S/o Susheel Kumar Tater<br>No.10, 1st Floor, Pride Elite, No.10,<br>Museum Road,<br>Bangalore – 560 001<br>Karnataka<br><br>Business | 100 | | Sumana Rao<br>W/o Raghavendra Rao<br>1044, 27th Main, 9th Block, Jayanagar<br>Bangalore- 560069<br><br>Company Secretary |
| 5 | Shobhag Kothari<br>D/o Nathmalji Bhutoria<br>No.10, 1st Floor, Pride Elite, No.10,<br>Museum Road,<br>Bangalore – 560 001<br>Karnataka | 100 | | |
| 6 | Rajdeep Golcha<br>S/o Sameer Golcha<br>No.10, 1st Floor, Pride Elite, No.10,<br>Museum Road,<br>Bangalore – 560 001<br>Karnataka | 100 | | |
| | Total | | | |

Dated this 24th day of August 2007 Place: Bangalore

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company set opposite to our respective names.

| Sl. No | Names, addresses, description and occupation of the subscribers | Number of shares taken by each subscriber | Signature of the subscriber | Signature, name address, description and occupation of the witness |
|---|---|---|---|---|
| 7 | Rajendra Kumar<br>S/o Sonraj Jeerawala<br>No.10, 1st Floor, Pride Elite<br>No.10, Museum Road,<br>Bangalore – 560 001<br>Karnataka<br><br>Business | 100 | | Sumana Rao<br>W/o Raghavendra Rao<br>1044, 27th Main, 9th Block, Jayanagar<br>Bangalore- 560069<br><br>Company Secretary |
| | Total | 50000 | | |

Dated this 24th day of August 2007

Place: Bangalore

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**INCORPORATED**

**UNDER THE COMPANIES ACT, 1956**

**(1 OF 1956)**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**SAGAR CEMENTS (R) LIMITED**

## GENERAL

1. Regulations contained in Table A in the First Schedule to the Companies Act, 1956 so far as the same may be applicable to a Public Company as defined in the Act shall apply to this Company in the same manner as if all such Regulations of Table A are specially contained in these Articles, subject to the modifications here in contained.

## INTERPRETATIONS

2. In the interpretation of the articles, unless repugnant to the subject or context:

   a) "The Company" or "this Company" means **"SAGAR CEMENTS (R) LIMITED "**

   b) "The Act" or "the said Act" means "The Companies Act, 1956" or any statutory modification re-enactment thereof for the time being in force.

   c) "In writing" and "written" include printing, lithography, typewriting and any other usual substitutes of writing.

   d) "Directors" mean the Directors for the time being of the Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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e) "Capital" means the capital for the time being raised or Authorised to be raised for the purposes of the Company.

f)"Member" means the duly registered holder, from time to time, of the shares of the Company and includes the subscriber of the Memorandum of the Company.

g) "Office" means the Registered Office for the time being of the Company.

h) "Shares" means the shares or stock into which the capital is divided and the interest corresponding with such share or stock.

i) "Paid-up" includes credited as paid-up.

j) "Persons" includes Corporation as well as individuals.

k) "Regulations of the company" means the regulations for the time being in force for the management of the Company.

l) "Secretary" means a Company Secretary within the meaning of Clause (c) of Sub-clause (1) of Sec. 2 of the Company Secretaries Act, 1980 (Act, 56 of 1980) and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a Secretary under this Act and any other ministerial and administration duties.

m) "Seal" means the common seal for the time being of the Company.

n) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

o) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.

p) "Beneficial Owner" means beneficial owner as defined in clause (a) of sub-sec (1) of Section 2 of the Depositories Act, 1996.

q) "Depositories Act, 1996" includes any statutory modifications or reenactment thereof for the time being in force.

r) "Depository" means a Depository as defined in clause (e) sub-section (1) of Section 2 of the Depositories Act, 1996.

s) "Dividend" includes bonus and interim dividend.

t) "Security" means and includes Share, Debenture and such other security as may be specified by the Securities and Exchange Board of India from time to time.

u) "Securities and Exchange Board of India" or "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

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v) "Member" means the duly registered holder from time to time of the shares of the Company and includes subscribers of the Memorandum of the Company and Beneficial Owner in the records of the Depository.

w) "Financial Year" means in relating to any body corporate the period in respect of which any profit or loss account of the Body corporate laid before it in Annual General Meeting is made up whether that period is year or not.

x) Words importing the masculine gender also include the feminine gender.

The various sections quoted in these regulations will mean to refer to the relevant sections in the Companies Act, 1956.

Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## SHARE CAPITAL

3. a) The Authorised Share Capital of the Company Shall be as mentioned in clause V of the Memorandum of Association of the company from time to time with power to increase and decrease the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions in such manner as may for the time being be provided by the regulation of the Company or as may be decided by the Company in general meeting.

b) Subject to the provisions of Section 80, any preference shares may, with the sanction of the members in general meeting be issued on such terms that they may decide.

c) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in that company made for the first time after its formation, which ever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, then the same shall be in accordance with provisions of Section 81.

d) The Company shall have power to issue shares at a discount, but in doing so, the Company shall comply with the provisions of Section 79 or any statutory modifications thereof.

e) The Company shall have power to issue shares at a premium, but in doing so, the Company shall comply with the provisions of Section 78 or any statutory modifications thereof. Not-withstanding anything to the contrary contained in the foregoing Articles or contained in any other provisions of these Articles, it shall be permissible for the Directors of the Company, without requiring any Resolution of the Company in General Meeting or without making any offer to the existing shareholders of the Company, in the event of the increase of the subscribed capital of the Company being caused by the exercise of any option attached to the Debentures issued or loans raised by the Company from the Government or any

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institution specified by the Central Government in this behalf under the provisions of Sec. 81 (3) (b) or other applicable provisions, if any, of the Act.

f) Dematerialisation of Shares:

i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities held in the Depositories and or offer its Securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996.

ii) Notwithstanding anything contained in the sub-sec (1) of Section 113 of the Act, where the Securities are dealt with in a Depository, the Company shall intimate the details thereof to the Depository immediately on the allotment of such Securities as far as practicable.

iii) All securities held by a depository shall be dematerialised and be in fungible form.

iv) Notwithstanding anything contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held by a Depository. No certificate shall be issued for the Securities held by Depository.

v) Notwithstanding anything contained in these Articles, in the case of transfer or transmission of the Securities where the Company has not issued any certificates and where such Securities are being held in electronic and fungible form by a Depository, the provisions of the Depositories Act, 1996 shall apply. The Company shall not be required to maintain "Register of Transfers" for entering particulars of transfer and transmission of securities in dematerialised form.

vi) Notwithstanding anything contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf a Beneficial Owner. Save as otherwise provided herein above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all liabilities in respect of its Securities held by a Depository.

vii) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the Securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future, or partial interest in any Security or (Except only as is by these Articles otherwise expressly provided) any right in respect of a Security other than absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

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viii) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of Depository.

ix) Notwithstanding anything contained in the Act or in these Articles, the Company can hold investments in the name of a Depository when such investments are in the form of Securities held by the Company as Beneficial Owner.

x) The Company shall caused to be kept a Register and Index of Members in accordance with Section 150, 151 of the Act and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be Register and Index of members for the purpose of the Act. The Company shall have the power to keep in any State or Country outside India a branch Register of Members resident in that State or Country".

g) Nomination of Shares:

i) Every holder of Shares in, or holder of Debentures of the company may, at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death.

ii) Any person who become a nominee by virtue of the provision of the Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect either:

(a) To be registered himself as holder of the Share or Debentures, as the case may be:

OR

(b) To make such transfer of the Share or Debentures, as the case may be, as the deceased Shareholder or Debenture holder, as the case may be, could have made as required under Section 109B of the Companies Act, 1956.

4. Subject to the provisions of these Articles and the Act, the shares shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions at such times as the Board thinks fit and with full power to allot shares of any class of the Company either, subject to the provisions of Sections 78 and 79 of the Act, at a premium or at a discount provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as to allotment provided for in the Section 75 of the Act.

5. Subject to the provisions of the Act and these Articles, the board of directors may allot and issue shares in the capital of the Company in full payment or in part payment for any property or assets of any kind whatsoever sold, supplied or transferred, or for

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goods or machinery supplied or for services rendered to the Company in connection with the formation or promotion of the Company or the conduct of its business, and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if issued, shall be deemed to be fully paid up or partly paid up shares, as the case may be.

## ALTERATION OF SHARE CAPITAL

6. 1) The Company shall have power to alter the conditions of the Memorandum as follows, that is to say, it may:

   a) Increase its share capital by such amount as it thinks expedient by issuing new shares.

   b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

   c) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived.

   d) Cancel shares which, at the date of the passing of the resolution have not been taken up or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled provided however the cancellation of shares in pursuance of the exercise of this power shall not be deemed to be reduction of share capital within the meaning of the Act.

   2) The powers conferred by this regulation shall be exercised by the Company in general meeting.

## REDUCTION OF CAPITAL

7. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -

   a. its share capital
   b. any capital redemption reserve account; or
   c. any share premium account

## UNDERWRITING AND BROKERAGE

8. Subject to provisions of Section 76 of the Act, the Company may at any time pay Commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscription, (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued, and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in other way.

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9. The Company may pay a reasonable sum for brokerage, which may be lawful.

## VARIATION OF SHAREHOLDERS RIGHTS

10. a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may, subject to the provisions of Sections 106 and 107 of the Act.

b) The rights conferred upon the holders of the shares of any class issued or preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

11. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any shares except an absolute right of the entirety thereof in the registered holder.

## SHARE CERTIFICATES

12. a) The certificate of title to shares shall be issued under the Seal of the company and shall be issued, sealed and signed in conformity with the provisions of the Companies (Issue of Shares Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees or owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate for shares may be delivered to the first named of such joint owners. The Company shall comply with the provisions of Section 113 of the Act.

b) The Company shall, within 3 months after the allotment of its shares, debentures, debenture stock and within one month after application for the registration of transfer of any such shares, debentures, debenture stock, deliver in accordance with the procedure laid down in Section 53, the certificates of all the shares and debentures, debenture stock allotted or transferred unless the conditions of issue of the shares, debentures or debenture stock otherwise, provide or the Company is prohibited by any provision of law or order of any court, tribunal or authority.

c) The Company shall issue "Share/Debenture Certificates in marketable lots and where share/debenture certificates are issued for either more or less than marketable lots, sub-division/consolidation into marketable lots shall be done free of charge."

d) (i) The Board of Directors may renew a Share Certificate or issue a duplicate of a Share Certificate, if such share certificate:

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a) Is proved to have been lost or destroyed ; or

b) Having been defaced or mutilated or torn is surrendered to the company; or

c) Is old, worn out or where the cages on the reverse for recording transfers are fully utilised.

(ii) The Company shall observe such rules and conditions as may be prescribed by the Government or required by the Stock Exchanges on which the shares are listed, for renewal of Share Certificates or issue of duplicate Share Certificates.

(iii) The Company shall not charge any fee for subdivision or consolidation of share and debenture certificates or for sub-division of letter of allotment or for splitting, consolidation or renewal of pucca transfer receipts into denominations corresponding, to the market units of trading or for issue of new certificates in re-placement of those which are old, or worn out or where the cages on the reverse for recording transfers have been fully utilised, provided however that the Company may not entertain an application for sub-division/consolidation of share or debenture certificate(s) as the case may be into denominations less than respective market units of trading, except where such sub-division/consolidation is necessitated to make the existing holding of the said competent transfer or/transfer into market lot or to comply with order of a court of law or authority or in cases where-in the opinion of the Board, it is necessary to do so mitigate hardship.

## CALLS ON SHARES

13. a) i) The Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

ii) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company at the time or times and place so specified the amount called on his shares.

iii) A call may be revoked or postponed at the discretion of the Board.

b) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

c) The Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

d) i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual

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payment at such rate as may be prescribed in the Act and modified from time to time or at such lower rate, if any as the Board may determine.

ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

e) i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall, for the purpose of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

ii) In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply, as if such sum had become payable by virtue of a call duly made and notified provided that any amount be paid in advance of calls on any shares, such amount may carry interest at such rate as may be prescribed in the Act but shall not in respect thereof confer a right to dividend or to participate in profits.

**LIEN**

14. a) The Company shall have a first and paramount lien upon all the Shares (other than fully paid up shares) registered in the name of each member (whether solely or Jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of transfer of shares shall operate as a waiver of the company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

b) The company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien.

Provided that no sale shall be made:-

i) Unless the sum in respect of which the lien exists is presently payable or

ii) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part the amount in respect of which the lien exists as is presently payable and the intention to sell has been given to the indebted registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

c) i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

ii) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.

iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

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d) i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

e) No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him, have not been paid or in regard to which the company has, and has exercised any right of lien.

## FORFEITURE OF SHARES

15. a) If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installments as is unpaid, together with any interest which may have accrued.

b) The notice aforesaid shall:

i) Name a further day (not earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made, and

ii) State that, in the event of non-payment on or before the day so named the shares in respect of which the call was made will be forfeited.

c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

d) i) A forfeited share may be sold or otherwise disposed of in such manner as the Board thinks fit.

ii) At any time before a sale or disposal as aforesaid, the Board, may cancel the forfeiture on such terms as it thinks fit.

e) Any person whose shares have been forfeited shall cease to be a member.

f) i) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

ii) The company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

iii) The transferee shall there upon be registered as the holder of share.

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iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to forfeiture, sale or disposal of the share.

g) The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## TRANSFER AND TRANSMISSION OF SHARES

16. a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof. Every holder of shares in, or holder of debentures of, the Company may, at any time, in the prescribed manner, nominate a person to whom his shares in, or debentures of, the Company shall vest in the event of his death as prescribed in Section 109A of the Act.

b) The Board may, subject to the right of appeal conferred by Section 111 of the Act decline to register-

i) the transfer of a share, not being a fully-paid share, to a person of whom they do not approve; or
ii) any transfer of shares on which the Company has lien.

c) The Board may also decline to recognise any instrument of transfer unless-

i) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
ii) the instrument of transfer is in respect of only one class of shares.

d) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in aggregate in any year and provisions of Section 154 of the Act shall be complied with.

e) The Company shall not charge any fees:

i) for registration of transfers, sub-division and consolidation of shares and debentures, certificates and for letters of allotment;

ii) for sub-division of renouncible letters of right;

iii) for issue of new certificates in replacement to those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised; and

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iv) for registration of any Power of Attorney, Probate, letter of administration or death certificate or similar other documents.

f) The transfer shall be effected within one month.

g) i) On the death of a member, the survivors or Survivors where the member was a joint holder and his legal representatives where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares.

ii) Nothing in Clause (i) shall release the estate of the deceased joint-holder from any liability in respect of any share which had been jointly held by him or other persons.

h) i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as here-in-after provided, elect either :-

a) to be registered himself as holder of the share, or

b) to make such transfer of the share as the deceased or insolvent member could have made.

ii) The Board shall, in either case have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member has transferred the shares before his death or insolvency.

i) i) If the person so becoming entitled shall elect, to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

ii) If the person aforesaid elect to transfer the share he shall testify his election by executing a transfer of the share.

iii) All the limitations, restrictions and provisions of these regulations relating to the rights to transfer and the registration to transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer signed by that member.

j) A person becoming entitled to a share by reason of the death or insolvency of its holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect of it to exercise any right conferred by membership in relation to meeting of the Company:

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends bonuses or other moneys, payable in respect of the share until the requirements of the notice have been complied with.

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## BUY BACK OF SHARES

17. The Company is permitted to purchase its own or other specified securities in accordance with the provisions of Sections 77A, 77AA and 77B of the Act and such other regulations or guidelines framed by Central Government or Securities and Exchange Board of India, in this regard.

## BORROWING POWERS

18. a) The Company shall have power to borrow from any person or persons and secure payment of any sum or sums of money for the purpose of the Company and the Directors may from time to time at their discretion exercise this power and may themselves lend to the Company on security or otherwise provided that the Directors shall not contravene the provisions of Section 292 or any statutory modifications thereof.

b) The Directors may raise or secure the repayment of any sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by creation of any mortgage or charge on the undertaking on the whole or any part of the property, present or future or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, debentures or debentures-stock of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for time being.

c) Subject to the provisions of Section 58A of the Act and Companies (Acceptance of Deposit) Rules, 1975 the Directors may receive deposits for such term and bearing interest at such rates as the Directors may decide from time to time. The deposits may be received from person or persons including the Directors and the shareholders of the Company.

## DEBENTURES

19. The company shall have power to issue debentures but in exercising this power, the provisions of Section 56(3), 64, 67, 70 to 74, 108 to 113, 117 to 123, 128, 129, 133, 134, 152, 154, 170 (2) (b), 187 and 292 or any statutory modifications thereof shall be compiled with.

Debentures, debenture-stock bonds or other securities conferring the right to allotment or conversion into shares or the option to right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.

## GENERAL MEETING

20. a) The Company shall comply with the provisions of sections 165 to 197 or any statutory modifications thereof in the calling and conduct of the meeting.

b) The Company shall hold a general meeting of the members of the Company, which shall be called the Statutory Meeting. In the calling and the conduct of statutory meeting provisions of section 165 or any statutory modifications thereof shall be complied with.

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c) Without prejudice to the provisions of Section 167 or any statutory modifications thereof the Company shall in addition to any other meetings, hold a General meeting which shall be styled the annual general meeting at such intervals, and in accordance with the provisions of Section 166 or any statutory modifications thereof.

d) All general meetings other than the annual general meeting of the company shall be called extraordinary general meetings.

e) i) The Board may whenever it thinks fit call an Extraordinary General Meeting.

ii) If at any time they are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

iii) Extraordinary General Meetings may be called by the members under the provisions of Section 169 and under conditions mentioned therein or any statutory modifications thereof and by Court under conditions mentioned in Section 186 or any statutory modifications thereof.

f) All business shall be deemed to be special that is transacted at an Extraordinary General meeting and also that is transacted at an Annual General Meeting with the exceptions of ;-

i) The consideration of accounts, balance sheet and the reports of the Board of Directors and Auditors.

ii) the declaration of a dividend.

iii) the appointment of Directors in the place of those retiring, and

iv) the appointment of and fixing of the remuneration of auditors.

g) Where any time of business to be transacted at the meeting is deemed to be special as aforesaid, the provisions of section 173 or any statutory modifications thereof shall be complied with.

## NOTICES FOR GENERAL MEETINGS

21. a) A general meeting of the Company may be called by giving not less than twenty one days notice in writing or after giving such shorter notice as provided for in Section 171 (2) of the Act or any statutory modification thereof.

b) Notice of every meeting of the Company shall be given:

i) to every member of the Company:

ii) to the persons entitled to a share in consequence of the death or insolvency of a member.

iii) to the auditor or auditors for the time being of the company, in the manner provided for in Section 172 of the Act or any statutory modifications thereof.

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c) Accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

## CONTENTS OF NOTICE

22. a) Every notice of meeting of the Company shall contain the following :

i) It shall specify the place, date and time of the meeting:
ii) It shall contain a statement of the business to be transacted therein.

b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and that proxy need not be a member.

c) The Company shall in the case of resolution to be moved as a special resolution duly specify in the notice calling the general meeting or other indimation given to the members, of the intention to propose the resolution as a special resolution

d) The Company shall in compliance with Section 190 read with 225, 262, 284, 330 and 379 or any statutory modifications thereof give to its members notice of resolution requiring special notice at the same time and in the same manner as it gives notice of the meeting or if that is not practicable, shall give them notice thereof either by an advertisement in a newspaper having an appropriate circulation or in any other mode, in the State in which the registered office is situated not less that 7 days before the meeting.

e) Subject to the provisions of Section 225 and 284 or any statutory modifications thereof on receipt of representation (not exceeding a reasonable length) if any, made under section 225 by retiring auditor or under Section 284 by a Director sought to be removed from office as a Director must be stated in the notice of meeting given to the members of the Company if the representations are received in time.

## DOCUMENTS TO BE ANNEXED TO THE NOTICE

23. a) Where any items of business to be transacted at the meetings are deemed to be special in accordance with provisions of the Act, a statement setting out all material facts concerning each such item of business including in particular the nature and extent of interest, if any, therein of every Director, and the Manager, if any.

b) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified on the statement mentioned above.

c) i) A copy of every Balance Sheet, Profit and Loss Account, the auditors report and every document required by law to be annexed or attached to the Balance Sheet and which is to be annexed or attached to the Balance Sheet and which is to be laid before a General Meeting of the Company shall be made available for inspection at the Registered Office during working hours for period of twenty one days before the date of meeting and the statement containing salient

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features of such documents in the prescribed form shall be sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company not less than twenty one days before the date of meeting.

ii) Any member or holder of debentures and any person from whom the Company has accepted a sum of money by way of deposit shall, on demand, be entitled to be furnished free of cost, with a copy of the Balance Sheet of the Company and every document required by law to be annexed or attached thereto including Profit and Loss Account and Auditors Report.

24. A copy of the representation, if any, made under Section 225 by a retiring auditor or under Section 284 by a Director sought to be removed from office, shall be sent to the members of the Company as provided for in Section 225 or any statutory modifications thereof.

25. Subject to the provisions of Section 188 or any statutory modifications thereof member's resolution shall be circulated to the members of the Company entitled to receive notice of the next annual general meeting.

26. The Company shall give inspection of documents referred to in Section 165 (6), 173 (3), 176 (7) and 230 at the commencement of or before the meetings.

## REPRESENTATION AT MEETINGS

27. a) A body corporate (whether a Company within the meaning of this Act or not), may, if it is a member of the Company, by resolution of the Board of Directors or other governing body authorise such person as it thinks fit to act as it representative at any meeting of members of the Company.

b) The person authorised by the resolution as aforesaid shall be entitled to exercise the same right to vote by proxy on behalf of the body corporate, which he represents, as that body could exercise if it were a member.

28. a) Any member of Company entitled to attend and vote at meeting of the Company shall be entitled to appoint another person or persons whether a member or not, as his proxy to attend vote instead of himself and the proxy so appointed shall have no right to speak at the meeting, provided however the instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding poll.

b) An instrument appointing a proxy shall not be questioned, if it is in any one of the forms set out in Schedule IX of the Act.

c) A note given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity revocation or transfer shall have been

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received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

d) Every member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days, notice in writing of the intention to so inspect is given to the Company.

## QUORUM

29. a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to transact business. Five members present in person shall be a quorum.

b) If within half an hour from the time appointed for holding a meeting of the Company, quorum is not present, the meeting if called upon by the requisition of members shall stand dissolved.

c) In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine.

d) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.

## CHAIRMAN OF MEETINGS

30. a) The Chairman, if any of Board shall preside as Chairman at every general meeting of the Company.

b) If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their member to be Chairman of the meeting.

c) If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of them to be Chairman of the meeting in accordance with the provision of Section 175 or any statutory modifications thereof.

d) i) The Chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and place to place.

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ii) No business shall he transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

iv) Save as aforesaid, it shall not be necessary to give notice of the adjournment or of the business to be transacted at any adjourned meeting.

e) In case of any equality of votes, whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands has taken place or at which the poll is demanded, shall be entitled to a second or casting vote.

f) Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

g) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purpose be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

## VOTES OF MEMBERS

31. a) On a show of hands, every member present in person shall have one vote and on a poll the voting rights of members shall be as laid down in Section 87. Before or on declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on demand made in that behalf by any member or members present in person or by proxy and holding shares and fulfilling the requirements as laid down in Section 179 of the Act, for the time-being in force.

b) Voting rights shall be exercised in accordance with the provisions of Sections 42, 87, 89, 92, 117, 178, 179, 180, 182, 183, 184, and 185 or any statutory modifications thereof and Regulation (c) hereunder read with Section 181.

c) In the case of joint holders, the vote of the senior who tenders vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in the names stand in the register of members.

d) A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction, in lunacy may vote, whether on a show of hands or on a poll, by his committee, or other legal guardian and any such committee, or guardian may, on a poll, vote by proxy.

e) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him respect in the Company have been paid.

f) i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

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ii) Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

32. At a general meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

33. In the election of the Director the provisions of Sec. 264 or any statutory modifications thereof shall be complied with.

34. In giving notice of intention to propose a resolution as a special resolution any matter, the Company shall have regard to the provisions of Sections 17, 21, 25(3), 31, 99, 100, 146, 208, 224A, 237, 309, 314, 323 and 484 or any statutory modifications thereof.

35. After passing of the resolution at the General Meeting of the Company, the Company shall comply with the provisions of sections 192, 193, 195, and 197 or any statutory modifications thereof.

## BOARD OF DIRECTORS

36. a) Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 or more than 12 inclusive of the ex-officio directors, nominee directors, technical directors, special directors, debenture directors, alternate directors additional directors, corporation directors, co-opted directors, executive directors, and administrative directors, if any.

b) Only an individual and not a body corporate, association or firm shall be appointed Director of the Company.

c) Subject to the provisions of Sections 252, 255 and 259 or any statutory modifications thereof, the Company may in General Meeting increase or reduce the number of Directors within the limits fixed by Regulation 36(a).

d) The First Directors of the company shall be as under:

i) **DINESH KUMAR SINGHI**

ii) **SNEHALATHA SINGHI**

iii) **LAXMIPAT DUDHERIA**

e) The Board of Directors shall have power to appoint Additional Directors provided such Additional Directors shall hold office only upto the date of the next Annual General Meeting of the Company and provided further that the number of Directors and additional Directors together shall not exceed maximum strength fixed for the Board by the Articles.

37. Subject to the provisions of Section 262 or any statutory modifications thereof the Board of Directors shall have power to fill up casual vacancies.

38. Subject to the provisions of Section 313 or any statutory modifications thereof Board of Directors shall have power to appoint a person as Alternate Director during the

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absence of a Director for a period of less than three months in the State in which meetings of the Board are ordinarily held.

39. Not withstanding any thing to the contrary contained in these Articles, so long as any monies remain owing by the Company to the Venture Capital Company, Financial Institutions or Banks or to any other Financing Company or Body out of any loans granted by them to the company or continue to hold Securities in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors is/are hereinafter referred to as "Nominee Director's" on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his or their places.

At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company, Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement or rotation of Directors. Subject as aforesaid the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office only so long as any monies remaining owing by the Company to the Corporation or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director's so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director's appointed under this article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings of the Committee of which the Nominee Director's is/are members as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The company shall pay to the Nominee Director's sitting fees and expenses which the other Directors of the Company are entitled, out of any other fees, commission, monies or remuneration in any forms payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director's shall accrue to the Corporation and same shall accordingly paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director's in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided if any such Nominee Director's is an Officer of the Corporation the sitting fees, in relation to such nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

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40 A person who is not a retiring Director shall not be appointed as Director of the Company unless he has by himself or by his agent authorised, signed and left at the office of the company a notice in writing signifying his candidature or his intention to propose him as a candidate for that office.

41. No Share qualification shall be necessary for any Director.

42. a) Subject to the provisions of Section 297 of the Act, a Director or his relative, a firm in which such Director or relative is a partner any other partner in such a firm or a Private Company, of which such Director is member or Director, may enter into a contract with the Company for the sale, purchase or any supply of goods, materials or services or for underwriting the subscription of any shares in, or debenture of the Company provided that the consent of Directors is obtained by a resolution passed at a meeting of the Directors before the contract is entered into or within three months of date on which it was entered into. No such consent however, shall be necessary to any such contract or contracts for the purchase or sale of goods and materials for cash at prevailing market price or for the sale, purchase or supply of goods, materials or services in which either the Company or the Directors firm, partner or Private Company, as the case may be regularly trades or does business provided that the value of such goods and the costs of such services do not exceed five thousand rupees in the aggregate in any calendar year compromised in the period of the contract or contracts. The Directors so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

b) A Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into, or by or on behalf of the Company, shall disclose the nature of his concern or interest in a meeting of the Board in the manner provided in Section 299 (2) of the Act, provided that it shall not be necessary for a Director to disclose his concern or interest in any Contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or any such other Company or two or more of them together hold not more than two percent of the paid up share capital in such other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with the body corporate firm, shall be deemed to be a sufficient disclosure. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall to be effect unless either is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

c) No Director shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in way, whether directly or indirectly concerned or interested in

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such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time any such discussion or vote, and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to;

i) Any contract of indemnity against any loss which the Directors, or any one of more of them; suffer by reason of becoming or being sureties or a surety for the Company.

ii) Any contract or arrangement entered into or to be entered into with a public Company or a private Company which is subsidiary of public Company in which the interests of the Director consists solely.

a) In his being:

i) A Director of such Company, and

ii) The holder of not more than shares of such number or value therein as is required to qualify him for appointment as Director thereof he having been nominated as such Director by the Company; or

b) In his being a member holding not more than two percent of its paid up Share capital.

43. Acts done by a person as a director shall be valid not withstanding that it may afterwards be discovered that his appointment was invalid by reason of any provisions in the act or in the Articles, provided that nothing in the Act shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have terminated.

44. Every director shall have such rights and powers as are provided for in the Act.

45. Every director shall discharge such duties as are provided for in the Act.

46. Director shall be subject to such civil liabilities as are provided for in the Act.

47. Directors shall be subject to the disability provided for in the Act.

48. The Offices of a Director shall be vacated:

a) On the happening of any of the conditions provided for in Section 283 or any statutory modifications thereof.

b) On the contravention of the provisions of Section 314 or any statutory modifications thereof.

c) If a person is a Director of more than fifteen Companies at a time.

d) If he is disqualified under Section 274 or any statutory modifications thereof.

e) In the case of alternative Directors on return of the original Director, to the State, under the provisions of Section 313 or any statutory modifications thereof.

f) On resignation of his office in writing.

49. Subject to the provisions of the Act a Director may be appointed as Manager or Secretary of the Company.

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## ROTATION OF DIRECTORS

50. a) At every Annual General Meeting one third of each of Directors for the time being are liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one third shall retire from office.

b) The Director to retire by rotation at every Annual Meeting shall be those who have been longest in Office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by lot.

c) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

d) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is public holiday, till the next succeeding day which is not a public holiday.

e) In the adjourned meeting also the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless;

i) At the meeting or the previous meeting a resolution for appointment of such Director has been put to the meeting and lost.

ii) The retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so reappointed.

iii) He is not qualified or disqualified for appointment.

iv) A resolution whether special or ordinary is required for his appointment by virtue of any provisions of the Companies Act, 1956 or

v) The provisions to sub-section (2) of Section 263 is applicable to the case.

## PROCEEDINGS OF THE BOARD

51. a) The Board of Directors may meet for the dispatch of Business, adjourn and other-wise regulate its meeting as it thinks fit.

b) A director may and the Manager or Secretary on the requisition of a Director shall at any time summon a meeting of the Board.

c) The Board shall cause notice to be circulated to every Director of the Company who is for time being in India and at his usual address in India to every other director.

d) The quorum for a meeting of the Board shall be two Directors or one-third of its total strength whichever is higher as provided for in the Act.

e) The continuing Director may act not-withstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by Act for meeting of the Board, the continuing Director or Directors, may act for the

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purpose of increasing the number of Directors to that fixed to the quorum or of summoning a General Meeting of the Company, but for no other purpose.

f) The Board may elect a Chairman of its meetings and determine the period for which he is to hold office.

g) If no such Chairman is elected, or if at any meeting, the Chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one of them to be Chairman of the Meeting.

h) The questions arising at any meeting shall be decided by a majority of votes and in case of any equality of votes, the Chairman shall have a second or casting vote.

i) Save as otherwise expressly provided by the Companies Act, 1956, a resolution in writing, signed by all the members of the Board or a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or a Committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee, duly convened and held.

j) All acts done by any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, not withstanding that it shall afterwards be discovered that there was some defects in the appointment of Directors of persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

k) The Company shall cause to be kept minutes of all proceedings of its Board of Directors or of Committee of the Board. The minutes of a meeting shall contain a fair and correct summary of the proceedings threat.

## GENERAL POWER OF THE BOARD OF DIRECTORS

52. a) The Board of Directors shall be entitled to exercise all such powers to do all such acts and things as the Company is authorised to exercise and do:

Provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of Association of the Company or by these Articles, to be exercise or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provision contained in this behalf in the Act or these Articles or in any regulation not inconsistent there with and duly made thereunder, including regulations made by the Company in General Meeting;

b) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have be valid if that regulation had not been made.

## SPECIFIC POWERS OF BOARD

53. Without prejudice to the general powers, the Board shall have the following specific powers:

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a) To carry out the objects and exercise that powers contained in clause III of the Memorandum of Association of the Company.

b) To have the superintendence, control and direction over Managing Director, Managers, whole time Directors and all other officers of the Company.

c) To delegate subject to the provisions of the Act, by a resolution passed at a meeting, to any Committee of Directors, Managing Director or the Manager of the Company:

i) Power to borrow money otherwise than on debentures.

ii) The power to invest the funds of the Company.

iii) The power to make loans.

Provided however that every resolution delegating the power in clause (i) shall specify the total amount up to which monies may be borrowed. Every resolution delegating the power referred to in clause (ii) shall specify the total amount up to which the funds may be invested and the nature of investment which may be made. Every resolution delegating the power in clause (iii) shall specify the total amount upto which loans may be made, the purposes for which the loans may be made, and the maximum amount of loans which may be made for each such purpose in individual cases:

Provided further that nothing in this regulation shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified above.

e) To provide for the management of the affairs of the Company in any specified locality in or outside India and to delegate to person in-charge of the local management such powers (not exceeding those which are delegatable by the Directors under these regulations).

f) To appoint at any time and from time to time by a power of attorney under seal, any person or authorities to exercise such of the powers delegated to them (not exceeding those which are delegatable by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with power for such attorneys, to sub delegate all or any of the powers, authorities and discretion vested in the attorney for the time being.

g) To acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which the Company is authorised to acquire at any such price generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally any property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit, subject, however, to the restrictions imposed on the Board by Act.

h) To open any account or accounts with such Bank or Banks as the Board may elect or appoint, to operate on such accounts, to make sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bills of exchange, bills of lading and other discharges for money payable to the Company

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and for the claims and demands of the Company to make contracts and to execute deeds, provided however the provisions of the Act shall be complied with.

i) To appoint officer(s), clerks and servants for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board think fit and to remove or suspend such officers, clerks and servants.

j) To sanction, pay and reimburse to the officers of the Company in respect of any expenses incurred by them on behalf of the Company.

k) To invest and deal with any of the monies of the Company, to vary or release such investments, subject to the provisions of the Act.

l) To refer claims or demands by or against the Company to arbitration in accordance with the provisions of the Act.

m) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also compound and allow time for payment of, Satisfaction of any debt due and of claims or demands by or against the company and to appoint solicitors, Advocates, Counsel and other legal advisors for such purposes or for any other purposes and settle and pay their remuneration.

n) To act on behalf of the Company in all matters in which the Company is interested.

o) To establish, maintain, support and subscribe to any charitable or public object or any society institution, or club which may be for the benefit of the Company or its employees.

p) To set aside portions of the profits of the Company to form a fund or funds before recommending any dividends for the objects mentioned above.

q) To make and alter rules and regulations concerning the manner of payment of the contributions of the employees and the Company respectively to any such fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as Directors shall from time to time think fit.

r) To exercise the powers conferred by the Act, with regard to having a seal for use abroad.

s) To exercise the powers conferred on the Company by the Act with regard to the keeping of foreign registers.

t) To authorise any person to sell any goods or articles manufactured or produced by the Company or to purchase, obtain or acquire machinery, stores, goods or materials for the purpose of the Company or to sell the same when no longer required for those purposes.

u) To exercise other powers not specifically mentioned in these regulations.

v) To determine by resolution from time to time the name of person or persons who shall be authorised to do all or any act mentioned on behalf of the Company.

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## SPECIFIC DUTIES OF THE BOARD

54. a) The Board shall call Extraordinary General Meeting on requisition by members in accordance with the Act.

b) The Board shall cause to be laid before the Company in every Annual General Meeting the Balance Sheet and Profit and loss Account in accordance with the Act.

c) There shall be attached to every Balance sheet laid before the Company in General Meeting a report by the Board of Directors in accordance with the provisions of the Act.

d) The Board shall cause to be kept at its Registered Office or in such other place as per the compliance of the provisions of the Companies Act, 1956, such Registers, Books and Documents, of the Company required to be maintained and kept open for inspection by the persons entitled thereto, during office hours to the extent, in the manner and on payment of the fees, if any except when the registers and books are closed under the provisions of the Companies Act, 1956, or by the Articles of Association of the Company.

e) The Board shall cause to give copies of documents to any member or to any other persons in accordance with the provisions of the Act.

## CERTAIN POWERS TO BE EXERCISED BY BOARD ONLY AT MEETING

55. a) The Board shall exercise the following powers on behalf of the Company only by means of resolution passed at Meetings of the Board:

i) The power to make calls on share holders in respect of money unpaid on their shares;

ii) The power to authorise the Buy back referred to in the first proviso to clause (b) of subsection (2) of section 77A

iii) The power to issue debentures;

iv) The power to borrow money otherwise than on debentures;

v) The powers to invest the funds of the Company; and

vi) The power to make loans,

and the Board may delegate to any committee of directors, the Managing Director , the Manager or any other principal officer of the Company or in the case of a branch office of the Company a principal officer of the branch office, the powers specified as in the clauses iv, v and vi to the extent as specified in the relevant provisions of the Act

b) The Board shall also exercise such of the powers required to be exercised by the Act.

56. a) Subject to the provisions of the Act apart from items requiring unanimous resolutions of the Board of Directors, questions arising at any meeting of the Board shall be decided by a majority of votes.

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b) In case of an equality of votes, the Chairman of the Board, if any shall have a second or casting vote.

57. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the neecssary papers, if any to all the Directors or to all members of committee then in India (not being less in number than the quorum fixed for a meeting of the Board or committee as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors or members or by a majority of such of them as are entitled to vote on the resolution.

## RESTRICTIONS ON THE POWERS OF BOARD

58. a) The Board shall not exercise the powers specified under section 293, except with the consent of members in General Meeting and only to the extent mentioned therein or any statutory modifications thereof.

b) In the appointment of sole selling agents for the Company for any area, the Board shall confirm to the provisions of the Act.

c) In giving loan to Directors and other persons mentioned in the relevant provisions of the Act, the Board shall confirm to the provisions of that Section.

## MANAGEMENT

59. a) The Board of Directors, may, from time to time and subject to the requisite approval of the Company in the General Meeting and where necessary also that of the Central Government under the provisions of the Companies Act, 1956 appoint Managing Director, Whole-time Director and/or Manger on such terms and conditions and for such period as per the provisions of the Act.

60. The Managing Director, Whole-time Director and/or Manager shall subject to the approval of the General body and Central Government, wherever necessary be responsible for carrying on and conducting the business of the Company subject to the supervision , direction and control of the Board of Directors. In the conduct and Management of the said business, the Managing Director Whole-time Director and/or Manager may, exercise such powers, authorities and discretions, as may from time to time be vested in them under an agreement or delegated to them by the Board of Directors.

61. The Managing Director Whole-time Director and/or Manager shall not be liable to retirement by rotation.

## MANAGER

62. Subject to the provisions of the Act, Company may appoint a person as Manager. However, no firm, body corporate or association shall be appointed as Manager.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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63. No person shall be appointed as Manager of the Company for more than a period of five years.

## REMUNERATION OF DIRECTORS AND EMPLOYEES

64. Payment of remuneration of Directors including Managing Director and whole-time Directors and Manager, if any shall be subject to the provisions of the Act.

65. In fixing the remuneration of the employees of the Company other than Directors and Manager the Provisions of the Act shall be complied with.

66. The Board shall from time to time decide the remuneration of Directors for the attendance of the Board meeting, not exceeding such sum as may be prescribed by the Act or the Central Government from time to time.

67. Traveling and daily allowance of Directors of the Board or any committees and special invitees, may be fixed by the Board of Directors from time to time.

68. If any Directors being willing shall be called upon to perform extra service or to make any special exertions in going or residing abroad or in negotiating or carrying into effect any contract or arrangements by the Company otherwise for any purpose of the Company or act as trustee for the Company or its debenture holders, and shall do so, the Company may remunerate such Director either by fixed sum and/ or percentage of profits or otherwise as may be permissible under the companies Act.

## AUDIT

69 Auditors of the company shall be appointed and such auditor holds the office for such period as specified in the Act.

## SEAL

70 The Board shall provide for the safe custody of the seal.

71 The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorised by it in that behalf, in the presence of at least two Directors and of a Secretary or such other person as the board may appoint for the purpose and those two Directors and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

## DIVIDENDS AND RESERVE

72. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

73. The Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

74. a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

shall, at the discretion of the Board, be applicable for any putpose to such the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments(other than shares of the company) as the Board may, from time to time, think fit.

b) The Board may also carry forward any profits, which it may think prudent not to divide, with out setting them aside as a reserve.

75 a) Subject to the right of the persons, if any, entitled to a share with special rights as to, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect thereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

b) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on the shares.

c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms Providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

76. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

77. a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

b) every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

78. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses, bonuses or other monies payable, in respect of such share.

79. Notice of any dividend that may have been declared shall be given to the person entitled to shares therein in the manner mentioned in the Act.

80. No dividend shall beat interest against the Company.

81. All Dividends on any share not having a legal registered owner entitled to require payment of and competent to give a valid receipt shall remain in suspense until some competent person be registered as the holder of the share.

82. The Board shall transfer the unpaid or unclaimed divided within 7 days on the expiry of 30 days from the date of declaration of the divided to special account with a scheduled

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

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MANAGING DIRECTOR

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Bank, to be known as "unpaid Dividend Account" in the name of the company. Any money transferred to the unpaid Dividend Account of Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred to a Fund established under the provision of the Act.

## CAPITALISATION OF PROFITS

83. a) The Company in General Meeting may, upon the recommendation of the Board, resolve:

i) That it is desirable to capitalise any part of the amount for the time being to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss account or otherwise available for distribution, and

ii) That such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in the clause (c), either in or towards:

a) Paying up any amounts for the time being unpaid on any shares held by such members respectively.

b) Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid, or

c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b)

c) A Share premium account and a capital redemption reserve account may for the purpose of the regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

84. a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

i) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and allotments, and issue of fully paid shares, if any; and

ii) Generally to do all acts and things required to give effect thereto.

b) The Board shall have full power:

i) To make such provision, by the issue of fractional Certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and also

ii) To authorise any person to enter, on behalf of all members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

Fo SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

c) Any agreement made under such authority shall be effective and binding on all such members.

## ACCOUNTS

85. a) The Board shall from time to time determine whether and to what extent and at what times and places and under which conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.

b) No member (not being a Director) shall have any right of inspecting any accounts and books or document of the Company except as conferred by the law or authorised by the Board or by the Company in General Meeting.

## WINDING UP

86. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

87. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

88. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## SECRECY

89. Every Director, Secretary, Manager, Auditor, Trustee, Member or Committee Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall before entering upon the duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with consumers and the state of accounts with individuals and in full matters, relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may have come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any meeting of the share holders or by a Court of Law by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles of Association.

90. Any Director or Officer of the Company shall be entitled, if he thinks fit to, declined to answer any question concerning the business of the Company which may be put to him on any occasion including any meeting of the Company on the ground that the answer to such question would disclose or tend to disclose the trade secret of the Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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91. Any officer or employee of the Company proved to the satisfaction of the Board of Directors to have been guilty of disclosing the secrets of the Company shall be liable to instant dismissal without notice, and payment of damages.

## INDEMNITY

92. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 in which relief is granted to him by the Court.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company set opposite to our respective names.

| Sl.No | Names, addresses, description and occupation of the subscribers | Number of shares taken by each subscriber | Signature of the subscriber | Signature, name address, description and occupation of the witness |
|---|---|---|---|---|
| 1 | Dinesh Kumar Singhi<br>S/o Udaychand Singhi<br>Kamala Nivas 19, Infantry Road Cantonment<br>Bellary - 583104<br>Karnataka<br><br>Business | 19800 | | Sumana Rao<br>W/o Raghavendra Rao<br>1044, 27th Main, 9th Block, Jayanagar<br>Bangalore- 560069<br><br>Company Secretary |
| 2 | Suchalatha Singhi<br>D/o Kanhayalal Singhi<br>Kamala Nivas 19, Infantry Road Cantonment<br>Bellary - 583104<br>Karnataka<br><br>Business | 19800 | | |
| 3 | Laxmipat Dudheria<br>S/o Kanhaiyalal Dudheria<br>No.20, Vasavi Plaza, DVG Road, Basavangudi,<br>Bangalore – 560 004<br>Karnataka<br><br>Business | 10000 | | |
| | Total | | | |

Dated this 24th day of August 2007 Place: Bangalore

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Articles of Association and we respectively agree to take the number of shares in the Capital of the company set opposite to our respective names.

| Sl.No | Names, addresses, description and occupation of the subscribers | Number of shares taken by each subscriber | Signature of the subscriber | Signature, name address, description and occupation of the witness |
|---|---|---|---|---|
| 4 | Ravi Jain<br>S/o Susheel Kumar Tater<br>No.10, 1st Floor, Pride Elite<br>No.10, Museum Road,<br>Bangalore – 560 001<br>Karnataka<br><br>Business | 100 | | Sumana Rao<br>W/o Raghavendra Rao<br>1044, 27th Main, 9th Block, Jayanagar<br>Bangalore- 560069<br><br>Company Secretary |
| 5 | Shobhag Kothar<br>D/o Nathmalji Bhutoria<br>No.10, 1st Floor, Pride Elite<br>No.10, Museum Road,<br>Bangalore – 560 001<br>Karnataka | 100 | | |
| 6 | Rajdeep Golcha<br>S/o Sameer Golcha<br>No.10, 1st Floor, Pride Elite<br>No.10, Museum Road,<br>Bangalore – 560 001<br>Karnataka | 100 | | |
| | Total | | | |

Dated this 24th day of August 2007 Place: Bangalore

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the company set opposite to our respective names.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Sl.No | Names, addresses, description and occupation of the subscribers | Number of shares taken by each subscriber | Signature of the subscriber | Signature, name address, description and occupation of the witness |
|---|---|---|---|---|
| 7 | Rajendra Kumar<br>S/o Sonraj Jeerawala<br>No.10, 1st Floor, Pride Elite<br>No.10, Museum Road,<br>Bangalore – 560 001<br>Karnataka<br><br>Business | 100 | | Sumana Rao<br>W/o Raghavendra Rao<br>1044, 27th Main, 9th Block, Jayanagar<br>Bangalore- 560069<br><br>Company Secretary |
| | Total | 50000 | | |

Dated this 24th day of August 2007 Place: Bangalore

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Annexure - 2

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**Deloitte Haskins & Sells**

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

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

## INDEPENDENT AUDITOR'S REPORT

**To The Members of Sagar Cements (R) Limited**
**Report on the Audit of the Financial Statements**

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis Report including Annexures, but does not include the financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**Management's Responsibility for the Financial Statements**

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

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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

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

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

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

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

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

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

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

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

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

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

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

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

**Deloitte**
**Haskins & Sells**

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

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

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

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

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

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

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

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

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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

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

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

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

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

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements (R) Limited
Balance Sheet as on March 31, 2021
All amounts are in ₹ Lakhs unless otherwise stated

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

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Firm registration No: 008072S

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sahithi
Executive Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements (R) Limited
Statement of profit and loss for the year ended March 31, 2021
All amounts are in ₹ Lakhs unless otherwise stated

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

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

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sahiti
Executive Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements (R) Limited
Statement of changes in equity for the year ended March 31, 2021
All amounts in ₹ lakhs unless otherwise stated

A. Equity share capital

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

B. Other equity

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

See accompanying notes forming part of the financial statements

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

Ganesh Balakrishnan
Partner
Membership No. 201193

Place : Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sahithi
Executive Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements (R) Limited
Statement of cash flows for the year ended March 31, 2021
All amounts are in ₹ lakhs unless otherwise stated

| | Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|
| A | **Cash flows from operating activities** | | | | |
| | **Profit / (loss) after tax for the year** | | 2,846 | | (501) |
| | Adjustments for: | | | | |
| | Tax expense | 1,536 | | 1,209 | |
| | Depreciation and amortisation expense | 2,221 | | 2,168 | |
| | Finance costs | 3,413 | | 3,985 | |
| | Interest income | (28) | | (30) | |
| | Expected credit loss allowance on trade receivables | 73 | | 63 | |
| | Provision for incentives receivable from government | 84 | | - | |
| | Unrealised loss on foreign currency transactions and translation | 38 | | 51 | |
| | Net loss/ (gain) on fair value change in financial instruments | 46 | | (47) | |
| | Liabilities no longer required written back | (15) | | (22) | |
| | Advances written off | - | | 125 | |
| | | | 7,368 | | 7,502 |
| | **Operating profit before working capital changes** | | 10,214 | | 7,001 |
| | *Changes in working capital:* | | | | |
| | Adjustments for (increase)/decrease in operating assets: | | | | |
| | Trade receivables | 1,348 | | (506) | |
| | Inventories | 282 | | 377 | |
| | Other financial assets | (106) | | (114) | |
| | Other assets | (45) | | 367 | |
| | | | 1,479 | | 124 |
| | Adjustments for increase/(decrease) in operating liabilities: | | | | |
| | Trade payables | (119) | | (19) | |
| | Other financial liabilities | (10) | | 113 | |
| | Provisions | 14 | | 35 | |
| | Other liabilities | 967 | | 1 | |
| | | | 852 | | 130 |
| | **Cash generated from operating activities** | | 12,545 | | 7,255 |
| | Less: Income tax paid | | (21) | | (1) |
| | **Net cash generated from operating activities** | | 12,524 | | 7,254 |
| B | **Cash flow from investing activities** | | | | |
| | Capital expenditure on property, plant and equipment including capital advances | (520) | | (1,092) | |
| | Deposits not considered as cash and cash equivalents | | | | |
| | - Placed | (656) | | (497) | |
| | - Matured | 454 | | 484 | |
| | Interest received | 29 | | 33 | |
| | **Net cash used in investing activities** | | (702) | | (1,072) |
| C | **Cash flow from financing activities** | | | | |
| | Repayment of Loan from holding company | (1,500) | | (500) | |
| | Proceeds from allotment of equity shares (Refer Note 37) | 77 | | - | |
| | Proceeds from loan from others | 138 | | - | |
| | Proceeds from non-current borrowings | 200 | | 3,643 | |
| | Repayment of non-current borrowings | (2,915) | | (6,547) | |
| | Proceeds of current borrowings (net) | (7,789) | | 67 | |
| | Repayment of lease liabilities | (28) | | (25) | |
| | Finance costs | (3,007) | | (2,820) | |
| | **Net cash used in financing activities** | | (9,824) | | (6,182) |
| | **Net increase in cash and cash equivalents (A+B+C)** | | 1,998 | | - |
| | **Cash and cash equivalents at the beginning of the year** | | 7 | | 7 |
| | **Cash and cash equivalents at the end of the year (Refer Note 9)** | | 2,005 | | 7 |
| | **Note:** | | | | |
| | Cash and cash equivalents comprises of: | | | | |
| | Cash in hand | | - | | - |
| | Balances with banks | | 5 | | 7 |
| | Deposits with banks | | 2,000 | | - |
| | **Cash and cash equivalents (Refer Note 9)** | | 2,005 | | 7 |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS (R) LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements (R) Limited
Statement of cash flows for the year ended March 31, 2021
All amounts are in ₹ lakhs unless otherwise stated

Reconciliations of liabilities from financing activities:

| Particulars | As at April 01, 2020 | Proceeds | Repayment | Fair value changes | As at March 31, 2021 |
|---|---|---|---|---|---|
| Long term borrowings (including current portion) | 18,848 | 338 | (4,415) | - | 14,771 |
| Short term borrowings | 3,298 | - | (2,789) | - | 509 |
| Total liabilities from financing activities | 22,146 | 338 | (7,204) | - | 15,280 |

| Particulars | As at April 01, 2019 | Proceeds | Repayment | Fair value changes | As at March 31, 2020 |
|---|---|---|---|---|---|
| Long term borrowings (including current portion) | 22,252 | 3,643 | (7,047) | - | 18,848 |
| Short term borrowings | 3,231 | 3,478 | (3,411) | - | 3,298 |
| Total liabilities from financing activities | 25,483 | 7,121 | (10,458) | - | 22,146 |

Reconciliation of lease liability:

| Particulars | As at April 01, 2020 | Additions | Finance cost accrued during the year | Payment of lease liabilities | As at March 31, 2021 |
|---|---|---|---|---|---|
| Lease liabilities | 27 | 5 | 1 | (28) | 5 |

| Particulars | As at April 01, 2019 | Recognition on adoption of Ind AS 116 | Finance cost accrued during the year | Payment of lease liabilities | As at March 31, 2020 |
|---|---|---|---|---|---|
| Lease liabilities | - | 30 | 2 | (5) | 27 |

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

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Executive Director

A. Subramanyam
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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1. Corporate information and significant accounting policies

(a) Corporate information:

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

(b) Significant accounting policies

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

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

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

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

(iii) Functional and Presentation currency

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

Rounding of amounts

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

(iv) Use of estimates and judgements

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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- **Defined benefit plans**

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

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

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

- **Fair value measurement of Financial instruments**

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

- **Provisions and contingencies**

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

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

- **Leases**

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

- **Inventories**

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

- **Expected credit losses**

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

(v) **Revenue recognition**

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

Generation of Power:

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

Dividend and Interest income

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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For SAGAR CEMENTS LIMITED

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MANAGING DIRECTOR

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

(vi) Borrowing costs

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

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

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

(vii) **Government grants**

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

a) The Company will comply with the conditions attached to them; and
b) The grant will be received.

(viii) **Employee benefits**

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

Defined Contribution Plans:

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

Defined Benefit Plans:

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

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

Compensated Absences:

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

Short-term employee benefits

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

(ix) **Taxation**

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

Current tax

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

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Deferred tax

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

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

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

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

(x) **Property, plant and equipment**

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

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.
Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

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

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

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Dr. S. ANAND REDDY
MANAGING DIRECTOR

(xi) Intangible assets

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

(xii) Inventories

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

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

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

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

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

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

(xiv) Foreign currency transactions and translations

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

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

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

(xv) Financial Instruments:

(A) Initial recognition:

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

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

(B) Subsequent measurement:

Non-derivative Financial Instruments:

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

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SAGAR CEMENTS (R) LIMITED

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

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

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

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

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

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

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

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

b. Non-financial assets:
Intangible assets and property, plant and equipment

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

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

**(xix) Segment reporting**

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

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

**(xx) Leases**

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

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

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

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

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

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

**(xxi) Operating cycle**

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

**(xxii) Exceptional items:**

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

**(xxiii) New Standards and interpretations not yet adopted**

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED

Sagar Cements (R) Limited
Notes to the financial statements
(All amounts are in ₹ lakhs unless otherwise stated)

2. Property, plant and equipment

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Land - freehold | 2,742 | 2,742 |
| Land-restoration | 34 | 37 |
| Buildings | 3,609 | 3,842 |
| Plant and machinery | 32,183 | 33,428 |
| Furniture and fittings | 31 | 37 |
| Office and other equipment | 320 | 392 |
| Electrical installations | 1,942 | 2,180 |
| Computers | 15 | 14 |
| Vehicles | 230 | 283 |
| Total | 41,167 | 42,955 |

For the year 2020-21

| Description of Assets | Land-freehold | Land-restoration | Buildings | Plant and machinery | Furniture and fittings | Office and other equipment | Electrical installations | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| I. Gross Block | | | | | | | | | | |
| Opening Balance | 2,742 | 50 | 4,625 | 45,561 | 67 | 721 | 3,636 | 170 | 653 | 58,025 |
| Add: Additions | - | - | 26 | 368 | - | 2 | 3 | 4 | - | 405 |
| Less: Disposals | - | - | - | - | - | - | - | - | 6 | 6 |
| Balance as at March 31, 2021 | 2,742 | 50 | 4,651 | 45,929 | 67 | 723 | 3,641 | 174 | 647 | 58,424 |
| II. Accumulated depreciation | | | | | | | | | | |
| Opening Balance | - | 13 | 783 | 12,133 | 30 | 329 | 1,456 | 156 | 170 | 15,070 |
| Add: Depreciation expense | - | 3 | 178 | 1,633 | 6 | 74 | 243 | 3 | 53 | 2,193 |
| Less: Eliminated on disposal of assets | - | - | - | - | - | - | - | - | 6 | 6 |
| Balance as at March 31, 2021 | - | 16 | 961 | 13,766 | 36 | 403 | 1,699 | 159 | 217 | 17,257 |
| Net Block (I-II) | | | | | | | | | | |
| Carrying value as at March 31, 2021 | 2,742 | 34 | 3,690 | 32,163 | 31 | 320 | 1,942 | 15 | 230 | 41,167 |
| Carrying value as at March 31, 2020 | 2,742 | 37 | 3,842 | 33,428 | 37 | 392 | 2,180 | 14 | 283 | 42,955 |

For the year 2019-20

| Description of Assets | Land-freehold | Land-restoration | Buildings | Plant and machinery | Furniture and fittings | Office and other equipment | Electrical installations | Computers | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| I. Gross Block | | | | | | | | | | |
| Opening Balance | 2,742 | 50 | 4,208 | 45,052 | 65 | 693 | 3,536 | 167 | 456 | 56,969 |
| Add: Additions | - | - | 417 | 509 | 3 | 28 | 100 | 3 | 17 | 1,076 |
| Less: Disposals | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2020 | 2,742 | 50 | 4,625 | 45,561 | 67 | 721 | 3,636 | 170 | 453 | 58,025 |
| II. Accumulated depreciation | | | | | | | | | | |
| Opening Balance | - | 10 | 619 | 10,535 | 24 | 253 | 1,219 | 152 | 117 | 12,927 |
| Add: Depreciation expense | - | 3 | 156 | 1,598 | 6 | 76 | 237 | 4 | 53 | 2,143 |
| Less: Eliminated on disposal of assets | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2020 | - | 13 | 783 | 12,133 | 30 | 329 | 1,456 | 156 | 170 | 15,070 |
| Net Block (I-II) | | | | | | | | | | |
| Carrying value as at March 31, 2020 | 2,742 | 37 | 3,842 | 33,428 | 37 | 392 | 2,180 | 14 | 283 | 42,955 |
| Carrying value as at March 31, 2019 | 2,742 | 40 | 3,591 | 34,517 | 41 | 440 | 2,317 | 15 | 339 | 44,023 |

Pledge on property, plant and equipment:
1. Property, plant and equipment (other than vehicles) with a carrying amount of ₹ 39,037 (March 31, 2020: ₹ 38,052) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari-passu second charge on the Company's current borrowings. Refer Note 13.

2. Vehicles with carrying amount of ₹ 204 (March 31, 2020: ₹ 223) are hypothecated to respective banks against vehicle loans.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED

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3. Intangible assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Computer software | 9 | 10 |
| Total | 9 | 10 |

Computer Software

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| I. Gross Block | | |
| Opening Balance | 139 | 139 |
| Add: Additions | - | - |
| Less: Disposals | - | - |
| Closing Balance | 139 | 139 |
| II. Accumulated amortisation | | |
| Opening Balance | 129 | 129 |
| Add: Amortisation expense | 1 | - |
| Less: Eliminated on disposal of assets | - | - |
| Closing Balance | 130 | 129 |
| Net block (I-II) | | |
| Carrying value | 9 | 1 |

4. Right of use assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Buildings | 4 | 25 |
| Total | 4 | 25 |

Buildings:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| I. Gross block | | |
| Opening Balance | 50 | - |
| Add: Recognition on adoption of Ind AS 116 | - | 50 |
| Add: Additions | 6 | - |
| Less: Deletion | - | - |
| Closing Balance | 56 | 50 |
| II. Accumulated depreciation | | |
| Opening Balance | 25 | - |
| Add: Depreciation expense | 27 | 25 |
| Closing Balance | 52 | 25 |
| Net block (I-II) | | |
| Carrying Value | 4 | 25 |

Note: Refer Note 34 on operating lease.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED * HYD

Sagar Cements (R) Limited
Notes to the financial statements
All amounts are in ₹ Lakhs unless otherwise stated

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 5 | **Other financial assets (Unsecured, considered good)** | | |
| | Non-current | | |
| | Security deposits | 196 | 144 |
| | Financial benefit due to guarantee by parent company | 62 | 101 |
| | Balances held as margin money deposit against borrowings | 9 | 100 |
| | Total | 267 | 345 |
| | Current | | |
| | Security deposits | 63 | 9 |
| | Advances to employees | 3 | 3 |
| | Interest accrued but not due | 10 | 11 |
| | Derivative assets | 1 | 47 |
| | Total | 77 | 70 |
| | Total Other financial assets | 344 | 415 |
| 6 | **Other assets (Unsecured, considered good)** | | |
| | Non-current | | |
| | Capital advances | 130 | 35 |
| | Prepaid expenses | 30 | 1 |
| | Balances with government authorities | 7 | 7 |
| | Total | 167 | 43 |
| | Current | | |
| | Advances to suppliers and service providers | 184 | 137 |
| | Advances to related parties | 79 | - |
| | Prepaid expenses | 112 | 79 |
| | Balances with government authorities | 7 | 100 |
| | Incentives receivable from government | | |
| | Unsecured, considered good | 643 | 727 |
| | Considered doubtful | 84 | - |
| | Less: Provision for incentives receivable from government | (84) | - |
| | Total | 1,025 | 1,093 |
| | Total Other assets | 1,192 | 1,136 |
| 7 | **Inventories (at lower of cost and net realisable value)** | | |
| | Raw materials | 693 | 329 |
| | Coal | 926 | 963 |
| | Work-in-progress | 274 | 847 |
| | Stores and spares | 867 | 668 |
| | Packing materials | 182 | 108 |
| | Finished goods | 221 | 495 |
| | Total (A) | 3,163 | 3,410 |
| | Goods-in-transit: | | |
| | Raw materials | 2 | - |
| | Coal | 48 | 103 |
| | Packing materials | 18 | - |
| | Total (B) | 68 | 103 |
| | Total Inventories (A+B) | 3,231 | 3,513 |
| | Note: Refer Note 1(b)(xii) for basis of valuation and for details of inventories pledged refer Note 13. | | |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS (R) LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 8 | Trade receivables | | |
| | Trade receivables considered good - Secured | 198 | 370 |
| | Trade receivables considered good - Unsecured | 2,571 | 3,820 |
| | Trade receivables - credit impaired | 383 | 110 |
| | Sub-total | 2,952 | 4,300 |
| | Less: Expected credit loss allowance | (183) | (110) |
| | Total trade receivables | 2,769 | 4,190 |

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:

Age of receivables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Within the credit period | 2,036 | 2,852 |
| 1-30 days past due | 266 | 457 |
| 31-60 days past due | 34 | 88 |
| 61-90 days past due | 11 | 71 |
| 91-180 days past due | 22 | 266 |
| More than 180 days past due | 583 | 531 |
| Total | 2,952 | 4,300 |

Movement in expected credit loss allowance

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 110 | 47 |
| Add: Expected credit loss allowance | 73 | 63 |
| Balance at the end of the year | 183 | 110 |

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 9 | Cash and cash equivalents | | |
| | (a) Cash in hand | - | - |
| | (b) Balances with banks | 5 | 7 |
| | (c) Deposits with banks | 2,000 | - |
| | Total cash and cash equivalents | 2,005 | 7 |
| 10 | Bank balances other than cash and cash equivalents | | |
| | Margin money deposits (Refer Note below) | 360 | 69 |
| | Total other bank balances | 360 | 69 |
| | Note: Margin money deposits are against bank guarantees and cash credit facilities. | | |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

SAGAR CEMENTS (R) LIMITED

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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

(a) Shares held by the holding company

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS (R) LIMITED HYD

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 12 | Other equity | | |
| | Securities premium | 14,671 | 7,381 |
| | Deemed investment in equity | 10,735 | 10,735 |
| | Retained earnings | (19,912) | (22,758) |
| | Other items of other comprehensive income | (30) | (29) |
| | Total other equity | 5,464 | (4,671) |

Movement in other equity is as follows:

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

Nature of reserves:

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

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

(c) Retained earnings
Retained earnings comprises of undistributed earnings after taxes.

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 13 | Non-current borrowings * (Secured, at amortised cost) | | |
| | Term loans | | |
| | Debentures (Refer Note(i)) | 8,077 | 10,384 |
| | Loans from banks (Refer Note (ii)) | 2,636 | 3,273 |
| | Loans from holding company | | |
| | 8% Cumulative redeemable preference shares | 11,861 | 10,019 |
| | Total non-current borrowings | 21,844 | 23,676 |

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

Note (i):
As at March 31, 2021

| Bank | Loan outstanding | Terms of repayment | Rate of interest |
|---|---|---|---|
| The Federal Bank Limited (Refer Note (a) below) | 3,125 | 18 quarterly instalments | 8.00% |
| State Bank of India (Refer Note (b) below) | 144 | 13 monthly instalments | 7.35% |
| Vehicle loans from banks/financial institutions (Refer Note (c) below) | 24 | 5 monthly instalments | 9.50% |
| Less: Current maturities of non-current borrowings | (657) | | |
| | 2,636 | | |

As at March 31, 2020

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

Notes:

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

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

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

Note (ii): Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 3,500 NCD's have been issued (₹ 10 lakhs each) aggregating ₹ 35,000. Interest payable on the NCD's is @11.66%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly instalments of ₹ 2,154 starting from May 2019 onwards. The Company has paid two instalments during the current year, four instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment (i.e., land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the borrower company both present and future, and by second charge on the current assets of the company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Holding Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's. As per the agreement with the IFC, Company's obligation towards debt and interests from Holding Company are subordinate to the payment due to IFC against the NCD's.

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

Notes:

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 14 | Other financial liabilities | | |
| | Non-current | | |
| | Security deposits received | 660 | 670 |
| | Loan from others | 193 | 55 |
| | Loan from related party | 900 | 900 |
| | Total | 1,753 | 1,625 |
| | Current | | |
| | Current maturities of non-current borrowings | 2,965 | 4,236 |
| | Interest accrued but not due on borrowings (Refer Note 37) | 404 | 4,814 |
| | Payables on purchase of property, plant and equipment | 59 | 100 |
| | Total | 3,428 | 9,150 |
| | Total other financial liabilities | 5,181 | 10,775 |
| 15 | Provisions | | |
| | Gratuity (Refer Note 31) | 103 | 104 |
| | Compensated absences (Refer Note 31) | 81 | 66 |
| | Total provisions | 184 | 170 |
| | Non-current | | |
| | Gratuity | 65 | 75 |
| | Compensated absences | 58 | 48 |
| | Total | 123 | 123 |
| | Current | | |
| | Gratuity | 38 | 29 |
| | Compensated absences | 23 | 18 |
| | Total | 61 | 47 |
| 16 | Other Liabilities | | |
| | Non-current | | |
| | Liability for land restoration | 50 | 50 |
| | Total | 50 | 50 |
| | Current | | |
| | Advance from customers | 1,044 | 495 |
| | Advance from related parties (Refer Note 33 and 37) | - | 4,814 |
| | Statutory remittances | 892 | 474 |
| | Total | 1,936 | 5,783 |
| | Total other liabilities | 1,986 | 5,833 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED * HYD

Sagar Cements (R) Limited
Notes to the financial statements
All amounts are in ₹ Lakhs unless otherwise stated

| Note | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 17 | **Revenue from operations** | | |
| | Revenue from | | |
| | - Sale of cement (Refer Note 38) | 37,663 | 33,881 |
| | - Sale of power | - | 1,151 |
| | Other operating income | | |
| | - Sale of scrap | 3 | 19 |
| | - Insurance claims | 8 | 8 |
| | - Others | 4 | 2 |
| | Total revenue from operations | 37,678 | 35,061 |
| 18 | **Other income** | | |
| | Interest income on financial assets measured at amortised cost | 28 | 30 |
| | Rent received from employees | 7 | 2 |
| | Net gain on foreign currency transactions and translation | 66 | - |
| | Net gain on fair value change in financial instruments | - | 47 |
| | Liabilities no longer required written back | 15 | 22 |
| | Total other income | 116 | 101 |
| 19 | **Cost of materials consumed** | | |
| | Opening stock | 329 | 271 |
| | Add: Purchases | 4,864 | 4,548 |
| | Less: Closing stock | 693 | 329 |
| | Cost of materials consumed | 4,500 | 4,490 |
| | **Details of materials consumed** | | |
| | Limestone | 1,794 | 1,786 |
| | Laterite | 1,104 | 1,070 |
| | Iron-ore sludge | 226 | 274 |
| | Gypsum | 434 | 469 |
| | Fly ash | 458 | 418 |
| | Slag | 382 | 364 |
| | Others | 102 | 109 |
| | Total | 4,500 | 4,490 |
| 20 | **Changes in inventories of finished goods and work-in-progress** | | |
| | Inventories at the beginning of the year: | | |
| | Finished goods | 495 | 283 |
| | Work-in-progress | 847 | 679 |
| | | 1,342 | 962 |
| | Inventories at the end of the year: | | |
| | Finished goods | 221 | 495 |
| | Work-in-progress | 274 | 847 |
| | | 495 | 1,342 |
| | Net decrease/ (increase) | 847 | (380) |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS (R) LIMITED HYD

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 21 | Employee benefit expenses | | |
| | Salaries and wages, including bonus | 1,042 | 982 |
| | Contribution to provident and other funds (Refer Note 31) | 95 | 92 |
| | Staff welfare expenses | 63 | 69 |
| | Total employee benefit expenses | 1,200 | 1,093 |
| 22 | Finance cost | | |
| | Interest expense | 1,845 | 1,393 |
| | Interest on deposits from dealers | 24 | 31 |
| | Interest on lease liability | 1 | 2 |
| | Other borrowing cost | 1,520 | 1,560 |
| | Total finance cost | 3,419 | 3,985 |
| 23 | Depreciation and amortisation expense | | |
| | Depreciation of property, plant and equipment (Refer Note 2) | 2,193 | 2,143 |
| | Depreciation on right of use assets (Refer Note 4 and 34) | 27 | 25 |
| | Amortisation of intangible assets (Refer Note 3) | 1 | - |
| | Total depreciation and amortisation expense | 2,221 | 2,168 |
| 24 | Other expenses | | |
| | Packing material consumed | 1,368 | 1,419 |
| | Stores and spares consumed | 957 | 694 |
| | Repairs and maintenance | | |
| | Buildings | 2 | - |
| | - Plant and equipment | 830 | 765 |
| | - Others | 233 | 143 |
| | Selling expense | 482 | 485 |
| | Expected credit loss allowance | 73 | 93 |
| | Provision for incentives receivable from government | 84 | - |
| | Advances written off | - | 125 |
| | Rent | 42 | 44 |
| | Insurance | 84 | 69 |
| | Rates and taxes | 33 | 31 |
| | Payment to Auditors (Refer Note (i) below) | 21 | 18 |
| | Travelling expenses | 68 | 76 |
| | Security services | 110 | 119 |
| | Donations and contributions | 7 | 6 |
| | Legal and professional | 259 | 259 |
| | Administrative expenses | 31 | 26 |
| | Printing and stationery | 3 | 3 |
| | Communication | 10 | 10 |
| | Net loss on foreign currency transactions and translation | - | 43 |
| | Director sitting fees | 7 | 3 |
| | Miscellaneous expenses | 45 | 9 |
| | Net loss on fair value change in financial instruments | 38 | - |
| | Captive consumption of Cement | (10) | (22) |
| | Total other expenses | 4,765 | 4,548 |
| | Note : | | |
| | (i) Payment to Auditors (net of taxes) comprises: | | |
| | For audit | 11 | 11 |
| | For limited review | 5 | 5 |
| | For other services | 5 | 2 |
| | Total | 21 | 18 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED

| Note | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 25 | Income tax expense | | |
| | (a) Income tax recognized in the statement of profit and loss | | |
| | Current tax: | | |
| | In respect of current year | - | - |
| | Total current tax | - | - |
| | Deferred tax | | |
| | In respect of current year origination and reversal of temporary differences | 1,536 | 1,209 |
| | Total deferred tax | 1,536 | 1,209 |
| | Total tax expense | 1,536 | 1,209 |

(b) Reconciliation of effective tax rate:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit before tax (A) | 4,382 | 708 |
| Statutory tax rate in India (B) | 27.82% | 27.82% |
| Expected tax expense (C = A*B) | 1,219 | 197 |
| Effect on expenses disallowed under Income Tax Act, 1961 | 348 | 305 |
| Effect on change in depreciation while filing income tax return | (4) | - |
| Effect on change in income tax rate | - | 680 |
| Others | (27) | 27 |
| Total | 317 | 1,012 |
| At the effective income tax rate | 1,536 | 1,209 |
| Total Tax expense | 1,536 | 1,209 |

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

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

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

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

(d) Current tax assets and liabilities

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
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SAGAR CEMENTS (R) LIMITED HYD

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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

27. Contingent liabilities and capital commitments:

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

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

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

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

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

b) Capital commitments:

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

28. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:
Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year | 4 | 23 |
| The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act. | - | - |

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

For SAGAR CEMENTS (R) LIMITED

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Dr. S. ANAND REDDY
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A) Capital Management:

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

Gearing ratio

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

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

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

B) Categories of financial instruments:

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit and loss (FVTPL)** | | |
| Derivative Assets | 1 | 47 |
| **Measured at amortised cost** | | |
| (i) Trade receivables | 2,769 | 4,190 |
| (ii) Cash and cash equivalents | 2,005 | 7 |
| (iii) Other bank balances | 362 | 69 |
| (iv) Other financial assets | 343 | 368 |
| **Total Financial assets** | 5,480 | 4,681 |

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

C) Financial risk management objectives:

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

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

D) Market risk:

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

Interest rate risk management:

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

Interest rate sensitivity analysis

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

For SAGAR CEMENTS (R) LIMITED

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SAGAR CEMENTS (R) LIMITED HYD

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

Foreign currency exchange rate risk

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

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

E) Credit risk management:

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

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

F) Liquidity Risk Management:

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

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

Financing Facilities:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured bills acceptance facility, reviewed annually | | |
| - amount used | 101 | 1,162 |
| - amount unused | 3,399 | 338 |
| Total | 3,500 | 1,500 |
| Secured bank overdraft facility reviewed annually and payable at call | | |
| - amount used | 509 | 3,298 |
| - amount unused | 3,491 | 702 |
| Total | 4,000 | 4,000 |
| Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement | | |
| - amount used | 3,293 | 3,701 |
| - amount unused | - | - |
| Total | 3,293 | 3,701 |
| Secured non-convertible debentures | | |
| - amount used | 10,385 | 12,692 |
| - amount unused | - | - |
| Total | 10,385 | 12,692 |
| Secured loan from holding company | | |
| - amount used | - | 1,500 |
| - amount unused | - | - |
| Total | - | 1,500 |

For SAGAR CEMENTS (R) LIMITED

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

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

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

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

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

The details of loans and advances taken from holding Company:

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

**31. Employee Benefits:**

The employee benefit schemes are as under:

**(i) Defined contribution plan**

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

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

**(ii) Defined benefit plan**

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

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

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Mortality table (LIC) | IALM 2012-14 (ultimate) | IALM 2012-14 (ultimate) |
| Discounting rate | 6.92% | 6.73% |
| Expected rate of return on plan asset | 7.25%/7.60% | 7.65% |
| Expected average remaining working lives of employees | 19.70 years | 20.65 years |
| Rate of escalation in salary | 10% | 10% |
| Attrition rate | 10% | 10% |

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

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

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

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

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

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

(e) Maturity profile of defined benefit obligation:

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

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

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

(g) Sensitivity Analysis:

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

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Effect of 1% change in assumed discount rate | 163 | 187 | 134 | 155 |
| Effect of 1% change in assumed salary rate | 187 | 162 | 155 | 134 |
| Effect of 1% change in assumed attrition rate | 172 | 177 | 142 | 146 |

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

Compensated absences:

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

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

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DIRECTOR

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Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED BSD

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

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

**32. Segment Reporting:**

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

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

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

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

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

**33. Related Party Disclosures**

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

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

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For SAGAR CEMENTS (R) LIMITED

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MANAGING DIRECTOR

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

| Nature of transaction | Party name | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Purchase of packing materials | Panchavati Polyfibres Limited | 1,484 | 1,412 |
| Sale of power | Sagar Cements Limited | - | 1,083 |
| Purchase of coal | Sagar Cements Limited | - | 947 |
| Purchase of scrap | Sagar Cements Limited | 1 | 2 |
| Services received | Sagarsoft (India) Limited | 21 | 14 |
| | Sagar Cements Limited | 360 | 360 |
| | **Total** | **381** | **374** |
| Rent expenses paid | Dr. S. Anand Reddy | 7 | 7 |
| | S. Sreekanth Reddy | 7 | 7 |
| | S. Vanajatha | 7 | 7 |
| | **Total** | **21** | **21** |
| Reimbursement of expenses paid | Sagar Cements Limited | 4 | 2 |
| Interest expense on loan | Sagar Power Limited | 99 | 99 |
| Interest expense on loan, corporate guarantee and cumulative redeemable preference shares | Sagar Cements Limited | 1,332 | 1,313 |
| Loans and advances taken | Sagar Cements Limited – Advance | - | 3,477 |
| Repayment against loan taken | Sagar Cements Limited | 1,500 | 500 |

Compensation to key managerial personnel is as follows:

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

Outstanding balances:

| Nature of the balance | Party name | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Borrowings | Sagar Cements Limited | - | 1,500 |
| Advances received | Sagar Cements Limited | - | 4,814 |
| Advances given | Sagar Cements Limited | 79 | - |
| Interest accrued but not due | Sagar Cements Limited | - | 4,293 |
| Interest payable | Sagar Power Limited | - | 11 |
| Trade payables | Sagarsoft (India) Limited | - | 1 |
| | Panchavati Polyfibres Limited | 207 | 410 |
| | **Total** | **207** | **411** |
| 8% Cumulative redeemable preference shares | Sagar Cements Limited | 11,181 | 10,019 |
| Loans | Sagar Power Limited | 900 | 900 |
| Corporate guarantee taken | Sagar Cements Limited | 19,643 | 19,643 |

**34. Operating Lease**

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

**Operating lease commitments**

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED HYD

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

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

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

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

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

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

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

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

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

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

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

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

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

**35. Earnings per share**

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED HYD

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

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

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

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

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

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

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sahithi
Executive Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Annexure - 3

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# SAGAR CEMENTS LIMITED

## MEMORANDUM

## AND

## ARTICLES OF ASSOCIATION

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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प्रारूप० आई० आर०
Form I. R.
निगमन का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

ता०.....का सं०.....

No. 2887 of 19 80-81

मैं एतद्द्वारा प्रमाणित करता हूं कि आज.....

.....

.....

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that SAGAR CEMENTS LIMITED

.....

.....

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता०.....को दिया गया।

Given under my hand at HYDERABAD this 15th

day of JANUARY One thousand nine hundred and EIGHTY ONE.

25th Pausa 1902 Saka

15/1/81

(V.S.RAJU)
कम्पनियों का रजिस्ट्रार
Registrar of Companies.
ANDHRA PRADESH.

जे० एस० सी-1
J. S. C-I.

भासमुटेक—397-19 जनरल/एडी-नं/76-77—भासमुटेक—(सी-408)—8-9-76—20,000.

MGIPTC—397/19 Genl./ADN./76-77—GIPTC—(C-408)—8-9-76—20,000.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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Co.No.2887

सत्यमेव जयते

कारबार प्रारम्भ करने के लिए प्रमाण-पत्र

# Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसरण में
Pursuant of Section 149 (3) of the Companies Act, 1956

मैं एतद्द्वारा प्रमाणित करता हूँ कि.....

.....

.....

जो कम्पनी अधिनियम, 1956 के अधीन तारीख.....को निगमित की गई थी और जिसने आज विहित प्ररूप में सम्यक् रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारंभ करने की हकदार है।

I hereby certify that the Sagar Cements Limited

.....

.....

which was incorporated under the Companies Act, 1956, on the 15th day of January 1981, and which has this day filed a duly verified declaration in this prescribed form that the conditions of section 149(1) (a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख.....को.....
में दिया गया।

Given under my hand at Hyderabad
this 16th day of April One thousand nine hundred and eighty three
(26th Chaitra 1905 Saka)

16/4/1983
(V.S. RAJU)
कम्पनियों का रजिस्ट्रार
Registrar of Companies

जे० एस० सी०-10
J. S. C-10.

For SAGAR CEMENTS (A) LIMITED

MGIPTC—269-19 Genl Admn/76-77—भाससुटेक—(सि-275)—29-7-76—7,000

MGIPTC—269-19 Genl Admn/76-77—GIPTC—(C-275)—29-7-76—7,000

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

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# MEMORANDUM OF ASSOCIATION
OF
# SAGAR CEMENTS LIMITED

I. The name of the company is "SAGAR CEMENTS LIMITED".

II. The registered office of the company will be situated in the State of **Telangana**.

III. The objects for which the company is established are:

**(A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

1. To produce, manufacture, refine, prepare, process, purchase, import, export, sell and generally to deal in all kinds of Cement, Cement products of any description, limestone, gypsum, kankar and/or byproducts thereof and in connection therewith to acquire, erect, construct, establish, operate and maintain cement factories, quarries, workshops and other work relating thereto.

2. To fabricate, manufacture and deal in all kinds of cement plants, apparatus, mining equipment, tools, utensils and materials and things necessary or convenient for carrying on the manufacture of cement and mining operations.

3. To own, explore, take on lease, or otherwise acquire any area, mining lease, quarries and to do all such other acts and deal in all such other things as may be conducive to and allied to the business of the company.

4. To carry on the business of buying and selling cement, bricks, limestone, sand or other earthy material or manufactured product such as titles, pavement and roofing materials. To deal in lime, plaster, clay, coke, fuel, timber, artificial stone and builders requisites and appliances.

5. To acquire the quarries and mines of Granite and Marble and all kinds of other stones and quarry the same directly or through contractors and to act as dealers, distributors, merchants, exporters, importers, stockists and agents of raw finished, semi-finished granite and marble stones including polished or flamed tiles, panels and tomb stones.

6. To carry on the business as manufacturers, dealers, distributors, exporters, and importers, stockists, and agents of high-tech building materials like, mortars, glues, grouts, for installation of tiles, pavers, bricks, marbles, water proofing membranes, rapid hardening compounds, non-shrinkable compounds, anticorrosive compounds and plain and corrugated sheets used in building construction by importing technology, know-how by foreign collaboration or indigenously.

7. To carry on the business as manufacturers, dealers, distributors, exporters, and importers, stockists, and agents of all types of non-explosive demolishing agents used in mining, quarrys, and construction works and for demolition of concrete and civil works, by importing technology, know-how by foreign collaboration, or indigenously.

8. To promote, own, run, install, takeover, set up power plants of any kind as may be permitted by law and to generate, co-generate, transmit, buy and distribute electric power for captive consumption, accumulation, sale and re-sale."

**(B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:**

1. To carry on the business of mining, metallurgists, builders, contractors, merchants, manufacturers of cement and mining operations.

2. To manufacture, purchase, market all types of packing required for packing/transport cement and its allied compounds and derivatives.

For SAGAR CEMENTS LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

3. To deal and manufacture pre-fabricated material for houses and other buildings.

4. To carry on in India or elsewhere the trades and business of survey, prospecting and proving of cement grade limestone deposits, asbestos and of manufacturers of cement and building materials of all kinds miners and engineers in all their respective branches, and to start consultancy service of technical, managerial and marketing of cement industry.

5. To buy, sell, manufacture, plant, cultivate, prepare, treat, alter, exchange, hire, let on hire, import, export, dispose and or deal in all kinds of articles and things which may be required for the purpose of any of the business which the Company is expressly or by implication authorized by this Memorandum to carry on.

6. To enter into partnership, or into any arrangement for sharing profits union of interest, co-operation, joint venture reciprocal concession or otherwise either in part or whole with any person or company, or companies foreign or otherwise, carrying on or engaged in or about to carry on engaged in any business or transaction capable of being conducted so as directly or indirectly to benefit this Company

7. To apply, for purchase or otherwise acquire or develop any patents, developments, invention, licenses, concession and the like, conferring any exclusive or non-exclusive or limited right to use or any secret or other information to any invention which may seem capable of being used for any of the purpose of the company, the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, right or information so required.

8. To establish, appoint, regulate and discontinue office, offices, agents, representatives, distributors or retailers in all such places as the company may from time to time determine for carrying out all or any of the company's objects and to act as agents for others.

9. To purchase, own, take on lease or in exchange or otherwise acquire and undertake all or any part of the business, rights, privileges, property, and liabilities of and to amalgamate or enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture, reciprocal concessions or otherwise with any company having objects altogether or in part similar to those of the company and to lend money to guarantee the performances of contracts of or otherwise assist any such company for such consideration and on such terms as may seem expedient.

10. To promote, establish, undertake, form and to be interested in and to apply for acquire hold and dispose of shares, in any institution, business, pool, combine, syndicate, industrial trading or manufacturing or company having objects altogether or part similar to those of the company carrying on any business capable of being conducted so as directly or indirectly to benefit the company and to subsidise or assist any industry or undertaking financially or otherwise by issuing or subscribing for or guaranteeing the subscription and issue of stock, debentures, debenture-stock or other securities of such industry or undertaking.

11. To apply, for purchase or otherwise acquire or develop any patents, development invention, processes, copy rights, trade marks, concessions, licenses and the like, subject to royalty or otherwise, conferring an exclusive or non-exclusive or limited right to use or any secret or other information as to any invention which may seem capable of being used for any of the purpose of the company or the acquisition for which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop, work, manage, sell, let, grant licenses in respect of or otherwise turn to account or deal with the property rights and information so acquired or otherwise belonging to the company.

12. To subscribe for, purchase or otherwise acquire, hold, sell, exchange dispose of and deal in, and to give any guarantee of whatever description to the stocks, shares, bonds, debentures, debenture-stock, scripts or other securities or obligations of any company or of any authority, supreme, public, municipal, local or otherwise and to invest and deal with the funds of the company not immediately required for the purpose in such securities and in such manner as may from time to time be determined.

For SAGAR CEMENTS LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

13. To borrow, or raise money in such manner, and on such terms as the company shall think fit and to secure the repayment of any money borrowed, raise or owing, by mortgage, charge or lien upon the whole or any part of the company's property or assets, both present and future, including its uncalled capital and also by a mortgage charge or lien to secure and guarantee the performance by the company of any obligations or liability it may undertake.

14. To enter into any arrangement with any Government or authority, supreme, public, municipal, local or otherwise, and to obtain from any such Government or authority and rights, concessions and privileges that may seem conducive to the company's objectives, or any of the and to carry out, exercise and comply with any such arrangements, rights, concessions and privileges.

15. To lend or advance, or deposit moneys belonging or entrusted to or at the disposal of the company or give credit to any company and in particular to customers of and others having dealing with the company with or without security, on such terms as may seem expedient, and to draw, make, accept, endorse, discount and execute and issue bills of exchange, promissory notes, hundies, debenture, bills of lading and other negotiable or transferable instruments or securities but not to do the business of banking as defined in Banking Regulations Act, 1949.

16. To apply or join in applying to and obtaining from any Parliament or Legislative authority or Government, or any supreme, public, local, municipal or other authority or body or with any landholders or other persons, for any Acts of Parliament, or other Acts of legislature, Laws, decrees, concessions, orders, rights or privileges or authority that may seem conducive to the company's objects or any of them or may see expedient to obtain any provisional orders or Act of Parliament for enabling the company to carry any of its objects into effect.

17. To invest, apply, for and acquire, or otherwise employ moneys belonging to or entrusted with the company upon securities and shares in investment Trusts, Banks and Insurance Companies and other Limited Companies upon such terms as may from time to time be considered proper.

18. To make such arrangements as the company may deem fit for the holding of any property of the company in the name of Trustees or a Trustee for the company.

19. To let, sub-let or give on lease, rent or hire, any portion of land, factory, mill, warehouse, tanks, chawls or other buildings or structure.

20. To sell, improve, manage, develop, exchange an enfranchise, lease, out, mortgaged, dispose of, turn to account, or otherwise deal with the whole or any part of the undertaking, business or property or sites of the company either together or in such portion and for such considerations as the company may think fit.

21. To establish such competitions as may be lawful for any of the purposes of the company and to offer and grant prizes, awards and premiums of such character and on such terms may seem expedient.

22. To advertise and publicise or promote, the sale of any goods, articles or things produced, manufactured, traded or dealt-with in any manner as may be deemed expedient including advertising in the press, posting of bills, the issue or publication of circulars, pamphlets, price-lists, leaflets, catalogues, brochures, or by the circulation of momentous, gifts and other articles.

23. To remmerate any person, firm or company rendering or agreeing to render services to the company either by cash payment or by the issue and allotment to him or them of shares or securities of the company credited as paid-up in full or part or otherwise as may seem expedient.

24. To pay all costs, charges and expenses, preliminary and incidental to and of the promotion formation, establishment and registration of the company and of the transfer to the company of any property acquired by the company.

25. Subject to the provisions of Section 293-A of the Companies Act, 1956 to support, subscribe or contribute or otherwise to assist or guarantee money for any charitable, benevolent, religious institutions or any other institutions or objects or any exhibition or for any public general or useful object.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

26. To establish and support or to aid in the establishment and support of association, institutions, or conveniences calculated to benefit the employees or ex-employees of the company or its predecessors in business or the dependents or concessions of such persons, and to grant pensions and allowances and to make payments towards insurance of any kind or to give any participation in profits of the company to persons employed by the company or any of them.

27. To provide for and furnish or secure to any member or customers of the company and chattels, conveniences, advantages, benefits or special privileges which may seem expedient either gratuitously or otherwise.

28. To establish and maintain laboratories for purposes of research and development and to acquire all the necessary scientific and other equipment for the purpose.

29. To manufacture, import, export, buy, sell and deal in raw materials and other substances used in the manufacture, production or treatment of any product or other substances, articles and things, the manufacture of which the company is authorized to undertake and to turn to account, render, marketable and deal in any of the by-products of the manufacturing process which the company may undertake.

30. To amalgamate with any other company having objects altogether or in part similar to those of this company.

31. To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the company and to place or guarantee the placing or underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures, debenture-stock or other securities of any such other company.

32. To adopt such means of making known the products of company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.

33. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops, for scientific and technical researches experiments and tests of all kinds; to promote studies and researches or inventions by providing, subsidizing endowing or assisting laboratories, workshops, libraries, lectures, meetings, and conferences and by providing or contributing to the award of scholarships, prizes, grants, or otherwise generally to encourage, promote and reward studies, researches, investigations, experiments, test and invention of any kind that may be considered likely to assist any business which the company is authorized to carry on.

34. To pay out of the funds of the company, all expenses which the company may lawfully pay with respect to the formation and registration of the company or the issue of its capital including brokerage and commission for obtaining application for or taking placing or underwriting or procuring debentures or other securities of the company.

35. To agree, to refer to arbitration and to refer to arbitration disputes, present or future between the company and any other company, firm or individual and to submit the same to arbitration to an arbitrator in India or abroad and either in accordance with Indian or any other Foreign System of Law.

36. Generally to do all such other things as may appear to be incidental and in any way conducive to the attainment of the above main objects or any of them.

IV. The liability of the Members of the company is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

V. The Authorised Share Capital of the Company is Rs.23,50,00,000 (Rupees Twenty Three Crores Fifty Lakhs only) divided into 11,75,00,000 (Eleven Crores Seventy Five Lakhs) Equity Shares of Rs.2/- each. *

* The face value of the equity share of Rs.10/- each has been sub-divided into Rs.2/- per share vide special resolution passed in the 10th Annual general Meeting held on 28th July, 2021

For SAGAR CEMENTS (H) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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We, the several persons whose names, addresses and descriptions are subscribed hereunder, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

| Sl. No. | Name, address, description and occupation of subscribers | No.of Equity Shares taken by each subscriber | Signature of subscribers | Name, address, description, occupation and signature of witness |
|---|---|---|---|---|
| 1. | Shri Komarraju Ishwarachandra Vidyasagar<br>S/o.Shri K.V.Rao<br>1-2-412/6, Gaganmahal Colony<br>Hyderabad-500 029<br><br>I.A.S. (Retd.) Executive | 500<br>(five hundred) | Sd/-<br>(K.I.Vidyasagar) | KISHORE SONI<br>S/o.Late Shri Shivlal Soni<br>Chartered Accountant<br>1235, Ywca Lane,Abids, Hyderabad-500 001<br><br>Sd/-<br>(KISHORE SONI) |
| 2. | Mrs.Komarraju Ishwarachandra Vidyasagar<br>W/o.Shri K.I.Vidyasagar<br>1-2-412/6, Gaganmahal Colony<br>Hyderabad-500 029<br><br>Housewife | 500<br>(five hundred) | Sd/-<br>(Leela Vidyasagar) | |
| 3. | Shri Vijay Kumar Baldawa<br>S/o.Shri Kanyalal Baldawa<br>226/2, Motigally, Hyderabad-2<br><br>Industrialist & Businessman | 1000<br>(one thousand) | Sd/-<br>(Vijay Kumar Baldawa) | |
| 4. | Shri Dwaraka Bhamipati Parthasarathi<br>S/o.Late Shri D.B.Krishnamurthy<br>164 A, Josbagh, New Delhi<br><br>Industrialist & Businessman | 1000<br>(one thousand) | Sd/-<br>(D.B.Parthasarathi) | |
| 5. | Shrimathi Dwaraka Bhamipati Gnanarathnam<br>W/o.Shri D.B.Parthasarathi<br>164 A, Josbagh, New Delhi<br><br>Housewife | 1000<br>(one thousand) | Sd/-<br>(Mrs.D.B. Gnanarathnam) | |
| 6. | Shri Ananthraman Mahadevan<br>S/o.Dr.M.Anantaraman<br>1-2-412/6, Gaganmahal Colony<br>Hyderabad-500 029<br><br>Consultant, Administrative Staff College of India, Hyderabad | 100<br>(one hundred) | Sd/-<br>(A.Mahadevan) | |
| 7. | Shri Goli Ramesh<br>S/o.Shri Goli Eswaraiah<br>2731, Shivajinagar<br>Secunderabad. A.P.<br><br>Businessman | 1000<br>(one thousand) | Sd/-<br>(Goli Ramesh) | |
| | Total No.of Equity Shares<br>(five thousand and one hundred only) | 5100 | | |

Dated this the Seventh day of January, 1981.
Place: Hyderabad

FOR SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)

# ARTICLES OF ASSOCIATION
# OF
# SAGAR CEMENTS LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on 23.09.2015 in substitution for, and to the entire exclusion of the earlier regulations comprised in the extant Articles of Association of the Company.

## TABLE 'F' EXCLUDED

1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

(2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Interpretation**

2. (1) In these Articles —

(a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

(b) "Articles" means these articles of association of the Company or as altered from time to time.

(c) "Board of Directors" or "Board", means the collective body of the directors of the Company.

(d) "Company" means **SAGAR CEMENTS LIMITED**

(e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(f) "Seal" means the common seal of the Company

(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

3. The Authorised Share Capital of the Company is Rs.23,50,00,000 (Rupees Twenty Three Crores Fifty Lakhs only) divided into 11,75,00,000 (Eleven Crores Seventy Five Lakhs) Equity Shares of Rs.2/- each to be increased, reduced or otherwise dealt with, in accordance with the provisions of the Companies Act, 2013. *

**Share capital and variation of rights**

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

* The face value of the equity share of Rs.10/- each has been sub divided into Rs.2/- per share vide special resolution passed by the shareholders at their 40th Annual general Meeting held on 28th July, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

   (a) Equity share capital:

      (i) With voting rights; and / or
      (ii) With differential rights as to dividend, voting or otherwise in accordance with the Rules; and

   (b) Preference share capital

7. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –

   (a) one certificate for all his shares without payment of any charges; or

   (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board but not exceeding Rs.20/- for each certificate after the first.

   (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

   (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

8. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

9. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of a sum as may be fixed by the Board but not exceeding Rs.20/- for each certificate.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

10. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

11. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

12. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules made thereunder.

(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

13. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

14. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

15. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted in to fully or partly equity shares, on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act.

16. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -

For SAGAR CEMENTS (P) LTD.

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

(b) employees under any scheme of employees' stock option; or

(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

## Lien

17. (1) The Company shall have a first and paramount lien –

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a shareholder, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share as wholly or in part exempt from the provisions of this clause.

(2) The Company's lien, if any, on a share shall extend to all dividend and bonuses from time to time in respect of such shares for any money due to the Company from the shareholder concerned.

(3) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares.

18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

19. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

20. (1) The proceeds of the sale shall be received by the Company and applied in full or part payment of such amount in respect of which the lien exists, as is presently payable.

(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

21. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Calls on shares**

22. (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(4) A call may he revoked or postponed at the discretion of the Board.

23. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

24. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

25. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board within the ceiling, if any, fixed under the Act or regulations.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

26. (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. The Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

28. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

29. All calls shall be made on a uniform basis on all shares falling under the same class.
*Explanation*: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

30. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

31. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Transfer of shares**

32. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

33. The Board may, subject to the right of appeal conferred by the Act decline to register –

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

34. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –

(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

35. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

36. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Transmission of shares**

37. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

38. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-

(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

39. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

40. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with

41. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Forfeiture of shares**

42. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid given notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment.

43. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and which such call or installment and such interest thereon at such rate not exceeding 9 percent per annum as the Board shall determine from the date on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the calls was made or installment is payable will be liable to forfeited.

44. If the requirement of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of that effect.

45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name is stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall forthwith be made in the register of members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

46. Any share so forfeited shall be deemed to be the property of the company, and may be sold, reallotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

47. Any member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 9 percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

48. The forfeiture of a share shall involve extinction, at the time of forfeiture, of all interesting and all claims and demands against the company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

49. A declaration in writing that the declarant is a Director or Secretary of the company that a share in the company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

50. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only against the company exclusively.

51. Upon any sale, reallotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue new certificates in respect of the said shares to the person or persons entitled thereto.

52. The Board may at any time before any share so forfeited shall have been sold, reallotted otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

53. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

**Alteration of capital**

54. Subject to the provisions of the Act, the Company may, by ordinary resolution –

(a) Increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(c) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(e) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

55. Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

56. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

(a) its share capital; and/or
(b) any capital redemption reserve account; and/or
(c) any securities premium account; and/or
(d) any other reserve in the nature of share capital.

**Joint Holders**

57. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy or any other mode permitted under the Act in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

(f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

**Capitalisation of profits**

58. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

59. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on such members.

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**Buy-back of shares**

60. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

**General meetings**

61. All general meetings other than annual general meeting shall be called extraordinary general meeting.

62. The Board may, whenever it thinks fit, call an extraordinary general meeting.

**Proceedings at general meetings**

63. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

(3) The quorum for a general meeting shall be as provided in the Act.

64. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

65. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

66. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members personally present at the meeting shall elect one of its members as Chairman. If a poll is demanded on the election of Chairman, it shall be taken forthwith in accordance with the Act. If some other person is elected as Chairman, as a result of poll, he shall be the Chairman for the rest of the meeting. .

67. On any business, at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

68. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by

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postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

(a) is or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

69.(1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

(a) be kept at the registered office of the Company; and

(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

70.The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

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**Adjournment of meeting**

71.(1) The Chairperson may, *suo motu*, either or with the consent of the meeting at which quorum is present, adjourn the meeting from time to time and from place to place.

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Voting rights**

72.Subject to any rights or restrictions for the time being attached to any class or classes of shares –

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

73. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

74.(1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

75.A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

76.Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

77.No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

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78.A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

79.Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

**Proxy**

80.(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

(2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

81.An instrument appointing a proxy shall be in the form as prescribed in the Rules.

82.A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**Board of Directors**

83.Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

84.(1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

(2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

85.(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

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(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a special resolution passed by the Company in general meeting.

(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(b) in connection with the business of the Company.

86. All cheques, promissory notes, drafts, *hundis,* bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

87.(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

88 (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India, in accordance with the Section 161 of the Companies Act, 2013.

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

89.(1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

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DIRECTOR

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**Powers of Board**

90. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**Borrowings**

91. Subject to the provisions of the Act and these Articles, the Board may from time to time, at their discretion, borrow or raise or secure the payment of money or to receive money on deposit at Interest for any purpose of the Company, and at such times and in the manner as may be thought fit and in particular by the issue of debentures, perpetual or otherwise, debentures convertible into shares of this or any other Company or perpetual annuities and as security for any such money so borrowed, raised or received or any of such debentures or debenture stock so issued to mortgage, pledge or charge the whole and any part of the property, assets or revenue and profits of the Company, present or future, including its unealled capital by assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem and pay off any such securities.

92. The Board may from time to time, at their discretion mortgage, hypothecate, pledge all or any of the property, whether movable or immoveable of any description whatsoever and other valuable securities of the Company.

93. The Board may by a resolution at their meeting delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director, if any, within the limits prescribed.

**Nominee Directors**

94. Subject to the provisions of the Act and these Articles, whenever the Directors enter into an agreement with any Government, Central, State or Local, any Financial Institution/s or Bank/s or any of the entity/ies or person/s (hereinafter referred to as 'The Appointer') for borrowing any money or for providing any guarantee or security any technical or financial collaboration or assistance or for subscription of shares, debentures and similar securities or for entering into any other arrangement, whatsoever, if the said agreement so provides, such Appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such terms and conditions as may be mentioned in the agreement and that such Director or Directors may not liable to retire by rotation nor be required to hold any qualification shares. The Directors of Company may also agree that such Director or Directors may be removed from time to time by the Appointer and the Appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever.

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**Proceedings of the Board**

95. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

(3) The quorum for a Board meeting shall be as provided in the Act.

(4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

96. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

97. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

98 (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(2) If no sueh Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of them to be Chairperson of the meeting.

99. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

100.(1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

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DIRECTOR.

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
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101.(1) A Committee may meet and adjourn as it thinks fit.

(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

102. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

103.No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or b y post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

**Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

104. (a) Subject to the provisions of the Act,—

A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**Registers**

105. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

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DIRECTOR

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Dr. S. ANAND REDDY
MANAGING DIRECTOR

106. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis,* as is applicable to the register of members.

**The Seal**

107. (1) The Board shall provide for the safe custody of the seal.

(2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or of the secretary or such other person as the Board may appoint for the purpose; and such director or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

**Dividends and Reserve**

108. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

109. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

110. (1) The Board may, before recommending any dividend, set aside, out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

111. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

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(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

112. (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

113. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it, if a payment using any of the foregoing permissible means is made.

114. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

115. No dividend shall bear interest against the Company. No interest on dividends.

116. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

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Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Accounts**

117. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.

(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

**Windiug up**

118. Subject to the applicable provisions of the Act and the Rules made thereunder -

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in speeie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**Indemnity and Insurance**

119. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary, CFO and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which sueh director, manager, company secretary, CFO and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary, CFO or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every director, managing director, manager, company secretary, CFO or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applieable provisions of the Act in which relief is given to him by the Court.

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DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

**General Power**

120. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Sl. No. | Name, address, description and occupation of subscribers | Signature of Subscribers | Name, address, description, occupation and signature of witness |
|---|---|---|---|
| 1. | Shri Komarraju Ishwarachandra Vidyasagar<br>S/o.Shri K.V.Rao<br>1-2-412/6, Gaganmahal Colony<br>Hyderabad-500 029<br>I.A.S. (Retd.) Executive | Sd/-<br>(K.I.Vidyasagar) | KISHORE SONI<br>S/o.Late Shri Shivlal Soni<br>Chartered Accountant<br>1235, Ywca Lane,Abids, Hyderabad-500 001<br>Sd/-<br>(KISHORE SONI) |
| 2. | Mrs.Komarraju Ishwarachandra Vidyasagar<br>W/o.Shri K.I.Vidyasagar<br>1-2-412/6, Gaganmahal Colony<br>Hyderabad-500 029<br>Housewife | Sd/-<br>(Leela Vidyasagar) | |
| 3. | Shri Vijay Kumar Baldawa<br>S/o.Shri Kanyalal Baldawa<br>226/2, Motigally, Hyderabad-2<br>Industrialist & Businessman | Sd/-<br>(Vijay Kumar Baldawa) | |
| 4. | Shri Dwaraka Bhamipati Parthasarathi<br>S/o.Late Shri D.B.Krishnamurthy<br>164 A, Josbagh, New Delhi<br>Industrialist & Businessman | Sd/-<br>(D.B.Parthasarathi) | |
| 5. | Shrimathi Dwaraka Bhamipati Gnanarathnam<br>W/o.Shri D.B.Parthasarathi<br>164 A, Josbagh, New Delhi<br>Housewife | Sd/-<br>(Mrs.D.B. Gnanarathnam) | |
| 6. | Shri Ananthraman Mahadevan<br>S/o.Dr.M.Anantaraman<br>1-2-412/6, Gaganmahal Colony<br>Hyderabad-500 029<br>Consultant, Administrative Staff College of India, Hyderabad | Sd/-<br>(A.Mahadevan) | |
| 7. | Shri Goli Ramesh<br>S/o.Shri Goli Eswaraiah<br>2731, Shivajinagar<br>Secunderabad. A.P.<br>Businessman | Sd/-<br>(Goli Ramesh) | |

Dated this the Seventh day of January, 1981.
Place: Hyderabad

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH AT HYDERABAD**
**(ORDINARY ORIGINAL/CIVIL JURISDICTION)**

**WEDNESDAY, THE TWENTY SEVENTH DAY OF APRIL TWO THOUSAND ELEVEN**

**PRESENT**

**THE HON'BLE SRI JUSTICE B.SESHASAYANA REDDY**

**COMPANY PETITION NOS.43 AND 44 OF 2011**

**C.P.NO.43 OF 2011**

**IN THE MATTER OF THE COMPANIES ACT (1 OF 1956)**

**IN THE MATTER OF SCHEME OF ARRANGEMENT**

**Between**

**Amareswari Cements Limited**
**(Transferor Company)**

**And**

**Sagar Cements Limited**
**(Transferee Company)**

**And**

**Their Respective Shareholders**

Amareswari Cements Limited, a Company incorporated under the Companies Act, registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad, Rep. by its Executive Director Mr.M.Mohan Reddy

..... PETITIONER/
Transferor Company

Petition to sanction Scheme of Arrangement under Section 394 read with Sections 391 to 393 of the Companies Act, 1956 praying that this High Court may be pleased to order that

a) the Scheme of Amalgamation may be sanctioned by this Hon'ble Court, so as to be binding on all the shareholders and creditors of the Petitioner Company and on the said Petitioner Company with effect from the Appointed Date.
b) The notice to Central Government under Section 394 A of the Companies Act, 1956 be issued to the Regional Director, Ministry of Corporate Affairs, the Registrar of Companies, Andhra Pradesh at Hyderabad and to the Official Liquidator, High Court of Andhra Pradesh.
c) The Notice of Petition be directed to be published in Hyderabad edition of the "Business Standard" the English daily newspaper and in the Hyderabad Edition of "Andhra Bhoomi", the Telugu daily Newspaper.
d) The Transferor Company be dissolved without winding up with effect from the Effective Date as per the Scheme of Amalgamation.

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

Fo SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**COMPANY PETITION NO.44 OF 2011**

**IN THE MATTER OF THE COMPANIES ACT (1 OF 1956)**

**IN THE MATTER OF SCHEME OF ARRANGEMENT**

**Between**

**Amareswari Cements Limited**
**(Transferor Company)**

**And**

**Sagar Cements Limited**
**(Transferee Company)**

**And**

**Their Respective Shareholders**

Sagar Cements Limited, a Company incorporated under the Companies Act, registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad, Rep. by its Executive Director Mr. S.Sreekanth Reddy

..... PETITIONER/
Transferor Company

Petition to sanction Scheme of Arrangement under Section 394 read with Sections 391 to 393 of the Companies Act, 1956 praying that this High Court may be pleased to order that

a) the Scheme of Amalgamation may be sanctioned by this Hon'ble Court, so as to be binding on all the shareholders and creditors of the Petitioner Company and on the said Petitioner Company with effect from the Appointed Date.

b) The notice to Central Government under Section 394 A of the Companies Act, 1956 be issued to the Regional Director, Ministry of Corporate Affairs, Chennai and the Registrar of Companies, Andhra Pradesh at Hyderabad.

c) The Notice of Petition be directed to be published in Hyderabad edition of the "Business Standard' the English daily newspaper and in the Hyderabad Edition of "Andhra Bhoomi", the Telugu daily Newspaper.

d) The Transferor Company be dissolved without winding up with effect from the Effective Date as per the Scheme of Amalgamation.

These Petitions coming on for orders upon reading the Judge's Summons and the affidavit(s) dated 21-03-2011 and filed by Sri M.Mohan Reddy, Executive Director of the Petitioner Transferor Company in Company Petition No.43 of 2011 and affidavit filed by Sri S.Sreekanth Reddy, Executive Director of Petitioner – Transferee Company in Company Petition No.44 of 2011 in support of these petitions and upon hearing the arguments of Sri L.V.V.Iyer, Advocate for the Petitioner Transferor and Transferee Companies and of Sri Ponnam Ashok Goud, Assistant Solicitor General appearing for the Registrar of Companies and of Sri M.Anil Kumar, Counsel for the Official Liquidator appearing in the matter.

Contd...

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**Order under Section 394**

Upon the above petition coming on for further hearing on 27-4-2011 Upon reading etc., and Upon hearing etc.,

**THIS COURT DOTH ORDER**

1. That this court doth hereby sanction the scheme of arrangement for amalgamation as set out herewith the petitions and annexed. – marked as exhibit-V, be and hereby is sanctioned and confirmed and doth hereby declare the same to be binding on all the shareholders and creditors of the both the Petitioner Transferor Company and the Transferee Company and their respective shareholders the transferor company and the transferee.

2. that the Scheme of Amalgamation, the Petitioner Company in C.P.No.43 of 2011 i.e., Amareswari Cements Limited be and hereby is merged with the petitioner company in C.P.No.44 of 2011 i.e., Sagar Cements Limited with effect from 1.4.2010.

3. That all the property, rights and power of the transferor company specified in the first, second parts of the schedule hereto and all other property, rights and powers of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to section 394 (2) of the Companies Act, 1956, be transferred to and vest in the transferee company for all the estate and interest of the transferor of the transferor company therein but subject nevertheless to all charges now affecting the same, other than; and

4. That all the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall, pursuant to section 394 (2) of the Companies Act, 1956, be transferred to and become the liabilities of the transferee company; and

5. That all proceedings now pending by or against the transferor company be continued by or against the transferee company; and

6. That the transferee company do without further application allot to such members of the transferor company as have not given such notice of dissent as is required by clause 8 of the scheme herein the shares in the transferee company to which they are entitled under the said scheme; and

7. That the Transferor company and Transferee Company do within 30 days from the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and on such certified copy being so delivered the transferor company shall be dissolved without winding up with effect from 1-4-2010 and the Registrar of Companies shall place all documents relating to the transferor company, and Registered with him on the file kept by him in relation to the transferee company and files relating to the said two companies shall be consolidated accordingly; and

8. That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary in regard to the working of this Scheme of Amalgamation.

9. That the Transferor Company and Transferee Company do pay a sum of Rs.5000/- (Rupees Five thousand only) each to the Registrar of Companies A.P. Hyderabad and also the Official Liquidator attached to this Court towards costs.

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**SCHEDULE**

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PART – I

(Insert a short description of the freehold property of the transferor company)

PART – II

(Insert a short description of the leasehold property of the transferor company)

PART – III

(Insert a short description of all stocks, shares, debentures and other charges in action of the transferor company)

Dated this the 27th Day of April 2011

Scheme of Arrangement for amalgamation enclosed herewith.

(By the Court)

**MEMORANDUM OF COSTS**
**C.P.NOS.43 AND 44 OF 2011**

**Petitioner's ( ) Costs Rs. P.**

That the Petitioner Transferor and the Transferee Companies do pay a sum of Rs.5,000/- (Rupees five thousand only) each to the Registrar of Companies A.P., Hyderabad and also to the Official Liquidator, High Court of A.P. Hyderabad towards costs of this petition(s).

Rs.5000/- x 2 Rs.10,000/- to the Registrar of Companies, A.P., Hyderabad and Rs.5,000/- x 2- Rs.10,000/- to the Official Liquidator, High Court of A.P., Hyderabad (towards costs) (as fixed by this Court)

**SD/-C.VIDYADHAR BHATT**
**JOINT REGISTRAR**

**// TRUE COPY //**

**SECTION OFFICER**

**TO**

1. Sri M.Mohan Reddy, Executive Director, Amareswari Cements Limited, Registered Office at 8-2-472/B./2, Road No.1, Banjara Hills, Hyderabad.
2. Sri S.Sreekanth Reddy, Executive Director, Sagar Cements Limited, Registered Office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad.
3. The Registrar of Companies, Office at 3-5-398, C.P.W.D. Building, Kendriya Sadan, Sulthan Bazar, Koti, Hyderabad.
4. The Official Liquidator, Office at 5-4-400, II Floor, East Wing, Gagan Vihar Building, Opp.Gandhi Bhavan, Nampally, Hyderabad.
5. The Regional Director, Company Law Board, Southern Region, Chennai
6. Two CD Copies

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH**
**AT HYDERABAD**
**(ORDINARY ORIGINAL/CIVIL JURISDICTION)**

**WEDNESDAY, THE TWENTY SEVENTH DAY OF APRIL**
**TWO THOUSAND ELEVEN**

**PRESENT**

**THE HON'BLE SRI JUSTICE B.SESHASAYANA REDDY**

**COMPANY PETITION NOS.43 AND 44 OF 2011**

**C.P.NO.43 OF 2011**

**IN THE MATTER OF THE COMPANIES ACT (1 OF 1956)**

**IN THE MATTER OF SCHEME OF ARRANGEMENT**

**Between**

**Amareswari Cements Limited**
**(Transferor Company)**

**And**

**Sagar Cements Limited**
**(Transferee Company)**

**And**

**Their Respective Shareholders**

Amareswari Cements Limited, a Company incorporated under the Companies Act, registered office at 8-2-472/B/2, Road No. 1, Banjara Hills, Hyderabad, Rep. by its Executive Director Mr.M.Mohan Reddy

..... PETITIONER/
Transferor Company

Petition to sanction Scheme of Arrangement under Section 394 read with Sections 391 to 393 of the Companies Act, 1956 praying that this High Court may be pleased to order that

a) the Scheme of Amalgamation may be sanctioned by this Hon'ble Court, so as to be binding on all the shareholders and creditors of the Petitioner Company and on the said Petitioner Company with effect from the Appointed Date.

b) The notice to Central Government under Section 394 A of the Companies Act, 1956 be issued to the Regional Director, Ministry of Corporate Affairs, the Registrar of Companies, Andhra Pradesh at Hyderabad and to the Official Liquidator, High Court of Andhra Pradesh.

c) The Notice of Petition be directed to be published in Hyderabad edition of the "Business Standard' the English daily newspaper and in the Hyderabad Edition of "Andhra Bhoomi", the Telugu daily Newspaper.

d) The Transferor Company be dissolved without winding up with effect from the Effective Date as per the Scheme of Amalgamation.

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**COMPANY PETITION NO.44 OF 2011**

**IN THE MATTER OF THE COMPANIES ACT (1 OF 1956)**

**IN THE MATTER OF SCHEME OF ARRANGEMENT**

**Between**

**Amareswari Cements Limited**
**(Transferor Company)**

**And**

**Sagar Cements Limited**
**(Transferee Company)**

**And**

**Their Respective Shareholders**

Sagar Cements Limited, a Company incorporated under the Companies Act, registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad, Rep. by its Executive Director Mr.S.Sreekanth Reddy

..... PETITIONER/
Transferor Company

Petition to sanction Scheme of Arrangement under Section 394 read with Sections 391 to 393 of the Companies Act, 1956 praying that this High Court may be pleased to order that

a) the Scheme of Amalgamation may be sanctioned by this Hon'ble Court, so as to be binding on all the shareholders and creditors of the Petitioner Company and on the said Petitioner Company with effect from the Appointed Date.

b) The notice to Central Government under Section 394 A of the Companies Act, 1956 be issued to the Regional Director, Ministry of Corporate Affairs, Chennai and the Registrar of Companies, Andhra Pradesh at Hyderabad.

c) The Notice of Petition be directed to be published in Hyderabad edition of the "Business Standard" the English daily newspaper and in the Hyderabad Edition of "Andhra Bhoomi", the Telugu daily Newspaper.

d) The Transferor Company be dissolved without winding up with effect from the Effective Date as per the Scheme of Amalgamation.

These Petitions coming on for orders upon reading the Judge's Summons and the affidavit(s) dated 21-03-2011 and filed by Sri M.Mohan Reddy, Executive Director of the Petitioner Transferor Company in Company Petition No.43 of 2011 and affidavit filed by Sri S.Sreekanth Reddy, Executive Director of Petitioner – Transferee Company in Company Petition No.44 of 2011 in support of these petitions and upon hearing the arguments of Sri L.V.V.Iyer, Advocate for the Petitioner Transferor and Transferee Companies and of Sri Ponnam Ashok Goud, Assistant Solicitor General appearing for the Registrar of Companies and of Sri M.Anil Kumar, Counsel for the Official Liquidator appearing in the matter.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**The Court made the following Common Order:** 16-V

**THE HON'BLE SRI JUSTICE B.SESHASAYANA REDDY**

**Company Petition Nos.43 and 44 of 2011**

**COMMON ORDER:**

These two Company Petitions have been filed by Amareswari Cements Limited (hereinafter referred to as "the transferor company") and Sagar Cements Limited (hereinafter referred to as "the transferee company") respectively under Sections 394 r/w.391 to 393 of the Companies Act, 1956, (for short, 'the Act'), for sanction of the scheme of amalgamation, whereby the petitioner company in C.P.No.43 of 2011 would get merged with the petitioner company in C.P.No.44 of 2011, with effect from 01.04.2010.

2. Amareswari Cements Limited-the transferor company was originally incorporated under the Act on 06.09.1983 with Certificate of Incorporation No.4122 of 1983-84. The authorized share capital of the transferor company is Rs.6,75,00,000/- divided in to 67,50,000 equity shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.4,60,00,000/- divided into 46,00,000 equity shares of Rs.10/- each.

3. The main objects of the transferor company as set out in the memorandum of the petition are: to produce, manufacture, refine, prepare, import, export, purchase, sell and generally to deal in all kinds of Portland Cement (Portland Pozolona Cement), Portland Slag Cement, Portland rapid hardening cement, Portland high aluminia, Portland oil well cement, special cement, masonry cement, lime pozzolona cement, white and colour cement etc., products of any description (pipes, poles, asbestos sheets, block tiles, garden wares etc), lime, limestone, carbonate, carbide, gypsum, kankar etc., more fully described in para.5 of the Company Petition No.43 of 2011.

4. Sagar Cements Limited-the transferee company was incorporated under the Act on 15.01.1981 with Certificate of Incorporation No.2887 of 1980-81. As on 31.03.2010, the authorized share capital of the transferee company is Rs.20,00,00,000/- divided into 2,00,00,000 equity shares of Rs.10/- each and Rs.2,00,00,000/- divided into 20,00,000 preference shares of Rs.10/- each. The issued, subscribed and paid up capital is Rs.15,00,23,000/- divided into 1,50,02,300 equity shares of Rs.10/- each.

5. The objects of the transferee company are: to produce, manufacture, refine, prepare, process, purchase, import, export, sell and generally to deal in all kinds of cement, cement products of any description, limestone, gypsum, kankar and/or by-products thereof and in connection therewith to acquire, erect, construct, establish, operate and maintain cement factories, quarries, workshops and other work relating thereto, more fully described in Para.5 of C.P.No.44 of 2011.

6. The transferee company is in the related business as that of the transferor company. The transferee company is financially and technically sound and equipped to make the acquisition and continue the business carried on by the transferor company. The salient features of the scheme of amalgamation of the transferor company with the transferee company have been fully setout in para.14 of the respective company petitions. The scheme is effective from 01.04.2010 and all undertakings, properties, rights and powers, debts, liabilities, duties and obligations whatsoever nature including all properties movable and immovable assets of whatsoever in nature shall stand transferred and vested in the transferee company. In consideration of the transfer, 10 equity shares of Rs.10/- each in the share capital of the transferee company credited as fully paid up for every 14 equity shares of Rs.10/- each fully paid up held by such members in the share capital of the transferor company. Upon the effective date, 9,00,000 equity shares held in the transferee company by the transferor company shall stand extinguished and no equity shares shall be allotted to the transferor company. Consequently, the subscribed and paid-up share capital of the transferee company shall stand reduced upon such extinguishments to the extent of 9,00,000 equity shares. With effect from the effective date, the transferor company shall stand dissolved without being wound-up.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

7. The Board of Directors of the transferor and transferee companies at their meeting held on 22.10.2010 passed resolutions approving the proposals for merger of the transferor company with the transferee company. The transferor company filed C.A.No.6 of 2011 for a direction to convene the meeting of the equity shareholders of the company to consider and approve the proposed scheme of amalgamation to be held at Hotel Golkonda, Masab Tank, Hyderahad-500 028, on 07.03.2011 at 2.30 p.m. The said application came to be ordered. The meeting of the equity share holders of the transferor company had been convened under the chairmanship of Sri S.Lakshmikanth and so also the meeting of the unsecured creditors of the transferor company had been held on 07.03.2011 at 10.30 a.m. The scheme of arrangement was read over and explained at the respective meetings of the shareholders and unsecured creditors of the transferor company. Resolutions came to be passed in the said meetings approving the scheme of amalgamation. Sri S.Lakshmikanth, who acted as a Chairperson of the said meetings placed on record his report on 16.03.2011.

8. The transferee company filed C.A.No.5 of 2011 for a direction to convene the meeting of the equity shareholders of the company to consider and approve the proposed scheme of amalgamation to be held at Hotel Golkonda, Masab Tank, Hyderabad-500 028, on 07.03.2011 at 3.30 p.m. and so also the unsecured creditors of the transferee company to consider and approve the proposed scheme of arrangement to be held at Hotel Golkonda, Masab Tank, Hyderabad, on 07.03.2011 at 11.30 a.m. Sri S.Lakshmikanth came to be appointed as Chair person for conducting the meeting of the equity shareholders and unsecured creditors of the company. Sri S.Lakshmikanth, presided over the meetings of the shareholders and unsecured creditors. Resolutions came to be passed in the said meetings approving the scheme of amalgamation. Accordingly, Sri S.Lakshmikanth placed on record his report dated 16.03.2011. Hence, these two company petitions seeking sanction of the proposed scheme of amalgamation.

9. Notice to the Regional Director, Ministry of Corporate Affairs, Chennai, the Registrar of Companies, Andhra Pradesh, Hyderabad and to the Official Liquidator, Hyderabad, came to be ordered on 23.03.2011 in both these Company Petitions. The petitioner Companies were also directed to take out publication in BUSINESS STANDARD (English daily) and ANDHRA BHOOMI (Telugu daily) published in Hyderabad Editions. The petitioner Companies took out publications and filed copies of the same as proof of compliance of the directions.

10. The Official Liquidator placed on record his report. The Deputy Registrar of Companies, A.P. Hyderabad filed common affidavit in both the company petitions.

11. These two company petitions were filed seeking sanction of the scheme of amalgamation as approved by the shareholders of the respective companies, so as to bind all the members of the transferor company and transferee company and to dissolve the transferor company without winding up.

12. The Deputy Registrar of Companies in para.3 of his affidavit stated as follows:

"3. That it is humbly submitted that pursuant to the instructions received from the Regional Director, Ministry of Corporate Affairs, Chennai, the following facts are placed for consideration of the Hon'ble High Court.

a) Upon the effective date, 9,00,000 equity shares held in the transferee company by the transferor company shall stand extinguished and no equity shares shall be allotted to the transferor company pursuant to clause 8.1. Consequently, the subscribed and paid-up share capital of the transferee company shall stand reduced upon such extinguishment to the extent of 9,00,000 equity shares. Hence, the Hon'ble High Court has to pass order u/s 100 to 105 of the Act. The application filed by the transferee company does not have a prayer about the reduction of capital.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

b) The petition filed by the transferee company shall be renumbered i.e. after para No.25, there should be para.No.26, 27, 28, 29 and 30 instead of 23, 24, 25 and 26.

c) The transferee company should pay the Stamp Duty wherever applicable as per the Regulations of Andhra Pradesh Stamp Act."

13. The Official Liquidator stated in his affidavit that the affairs of the transferor company do not appear to have been conducted in a manner prejudicial in the interests of its members or to the public interest.

14. No objections have been received from any quarter opposing the proposed scheme of amalgamation.

15. Heard learned counsel appearing for the petitioners; learned Assistant Solicitor General appearing for the Registrar of Companies and learned counsel appearing for the Official Liquidator.

16. Learned counsel appearing for the petitioner in both the company petitions submits that 9,00,000 equity shares held by the transferee company in the transferor company shall stand extinguished and therefore, the question of reduction in the share capital of the transferee company does not arise. He would also contend that it is not necessary that extinguishment of shares in all cases result for reduction of the share capital. Section 100 of the Act would not come into play where the scheme of amalgamation contemplates that the transfer of entirety of the assets and liabilities of the transferor company to the transferee company. In support of his submission, learned counsel placed reliance on the decision of the Madras High Court in **Asian Investments Ltd., In re.**[1], wherein it has been held that where a scheme of amalgamation of companies contemplates the transfer of entirety of the assets and liabilities of the transferor company to the transferee company, the assets of the transferor company on amalgamation stand transferred to and vested in the transferee company and there cannot be said to be any release of assets of the transferor company. In such a case, the provisions of Section 100 of the Companies Act, 1956, prescribing that a special resolution should be passed before reduction of the company's share capital, would not apply. Further, Rule 85 of the Companies (Court) Rules, 1959, which is part of the scheme of sections 101 and 102 of the Act, which provides that where a proposed compromise or arrangement involves reduction of capital of the company, the procedure prescribed by the Act and the Rules relating to reduction of capital shall be complied with, before the compromise or arrangement so far as it relates to reduction of capital, is sanctioned, would stand attracted only to cases of compromise or arrangement involving reduction of capital and not to cases of amalgamation simpliciter when the entirety of the assets and liabilities are transferred and when there is no release of any assets.

17. As seen from the scheme of amalgamation, 9,00,000 equity shares held by the transferor company in the transferee company shall stand extinguished. Therefore, there is no question of share capital in the transferee company being reduced. The transferor and the transferee companies placed on record the consent letters given by the secured creditors of the respective companies.

18. From the material placed on record, the scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. None of the parties concerned have come forward to oppose the scheme.

19. Since all the requisite statutory compliances have been fulfilled, both the company Petitions i.e., C.P.No.43 of 2011 filed by the transferor company and C.P.No.44 of 2011 filed by the transferee company are allowed sanctioning the scheme of amalgamation with effect from 01.04.2010. The transferor company shall stand dissolved without winding up with effect from 01.04.2010. The parties to the scheme of amalgamation or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the scheme of amalgamation; and the transferor company and the transferee company shall pay a sum of Rs.5,000/- (Rupees five thousand only) each to the Registrar of Companies, A.P., Hyderabad and also to the Official Liquidator attached to this Court, towards the costs. The petitioner companies do file with the Registrar of Companies an authenticated copy of this common order and the scheme within 30 days from this date.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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20. Accordingly, both the Company petitions are allowed.

**SD/-C.VIDYADHAR BHATT**
**JOINT REGISTRAR**

**// TRUE COPY //**

**TO SECTION OFFICER**

1. Sri M.Mohan Reddy, Exccutive Director, Amareswari Cements Limited, Registered Office at 8-2-472/B./2, Road No.1, Banjara Hills, Hyderabad.
2. Sri S.Sreekanth Reddy, Executive Director, Sagar Cements Limited, Registered Office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad.
3. The Registrar of Companies, Office at 3-5-398, C.P.W.D. Building, Kendriya Sadan, Sulthan Bazar, Koti, Hyderabad.
4. The Official Liquidator, Office at 5-4-400, II Floor, East Wing, Gagan Vihar Building, Opp.Gandhi Bhavan, Nampally, Hyderabad.
5. The Regional Director, Company Law Board, Southern Region, Chennai.
6. Two CD Copies.
7. Two Copies to Sri L.V.V.Iyer, Advocate (OPUC)

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**SCHEME OF ARRANGEMENT**

**BETWEEN**

**AMARESWARI CEMENTS LIMITED**
**(Transferor Company)**

**AND**

**SAGAR CEMENTS LIMITED**
**(Transferee Company)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**WHEREAS**

A. **AMARESWARI CEMENTS LIMITED** ("Transferor Company") is a public limited company incorporated under the Companies Act, 1956 with Certificate of Incorporation No.4122 of 1983-84 dated 6th September 1983, having its registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh , India.

The Transferor Company is engaged in manufacture and sale of cement. The Transferor Company has recorded an income of Rs.71.14 Crores and a net profit of Rs. 1.80 crores during the financial year ended March 31, 2010.

B. **SAGAR CEMENTS LIMITED**, the Transferee Company is a listed public limited company, incorporated under the Companies Act, 1956, with Certificate of Incorporation No.2887 of 1980-81 dated 15th January 1981, having its registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh, India.

The Transferee Company is in the related business as that of the Transferor Company and is interested in the acquisition of the business of manufacturing and sale of cement carried on by the Transferor Company ultimately through the scheme of arrangement. The Transferee Company is financially and technically sound and equipped to make the acquisition and continue the business carried on by the Company after the present Scheme of Arrangement is given effect to. The Transferee Company has recorded an income of Rs. 486.36 Crores and a net profit of Rs. 19.12 crores during the financial year ended March 31, 2010.

C. The Scheme of Arrangement will benefit the Transferor Company, the Transferee Company and their respective shareholders. The rationale and reasons for the proposed Scheme of Arrangement, inter alia, are summarized below:

- The Transferor Company is also in the business of manufacturing and sale of cement.
- The proposed amalgamation of the Transferor Company with the Transferee Company would help the Transferee Company to increase the manufacturing capability due to the enhanced capacity.
- The proposed amalgamation would enable focused strategic leadership and management attention to be bestowed on the undertaking of the Transferor Company so as to integrate the business synergies and reap the benefits of consolidation. The proposed amalgamation of both the companies will channelize synergies, enable optimum utilization of the available resources, broadening the customer base and boost the morale of employees thereby improving their productivity besides enabling a focused business approach for the optimization.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

- The proposed amalgamation would enable to achieve higher long-term financial returns and inculcation of greater financial strength and flexibility than could be achieved by the companies individually.

- It is also beneficial by the proposed amalgamation for pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the merging companies leading to increased competitive strength, cost reduction, productivity gains and logistic advantages. The proposed amalgamation would make it possible to meet the required funding and take the benefit of the emerging opportunities.

- It is believed that the proposed amalgamation under this Scheme of Arrangement will create enhanced value for the shareholders and allow a focused strategy in operations, which would be in the best interest of both the Transferor Company and the Transferee Company and their shareholders.

D. This Scheme of Arrangement (hereinafter referred to as the "Scheme") comprises the amalgamation of the Transferor Company with the Transferee Company which has been set forth in Part II, as follows :

The transfer and vesting of the Undertaking of the Transferor Company, pursuant to Part II, by Amareswari Cements Limited, the Transferor Company to Sagar Cements Limited, the Transferee Company and in consideration thereof issue of equity shares shall be made by the Transferee Company to the shareholders of the Transferor Company pursuant to Section 391 and Section 394(1) (a) of the Companies Act, 1956.

E. The Scheme also makes provisions for various other matters consequential, incidental or related thereto and otherwise integrally connected therewith-in Part III, which are common for the arrangement set out in Part II. Part I of this Scheme deals with the definitions of the expressions used in arrangement set out in Part II and details in respect of the incorporation and share capital of the Transferor Company and Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECT

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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**SCHEME**

**PART I**

**GENERAL**

**I. DEFINITIONS**

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given to them below:

(i) "Act" means the Companies Act, 1956 and any amendments and/or re-enactment thereof, for the time being in force.

(ii) "Transferor Company" means Amareswari Cements Limited, a company incorporated under the Act having its registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh , India.

(iii) "Transferee Company" means Sagar Cements Limited, a company incorporated under the Act having its registered office at 8-2-472/B/2, Road No.1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh , India.

(iv) "Appointed Date" means 1st April 2010 or such other date as may be fixed by the High Court.

(iv) "Board" means the board of directors of the Transferor Company or the Transferee Company, as the case may be, including any duly constituted committee thereof.

(v) "Effective Date" means the date on which the certified copies of the Order of the High Court of Judicature of Andhra Pradesh at Hyderabad or any other Court or authority of appropriate jurisdiction sanctioning the Scheme are filed with the Registrar of Companies, Andhra Pradesh.

(vi) "Scheme" means the Scheme of Arrangement as set out herein or with any modifications approved or imposed or directed by the High Court of Judicature of Andhra Pradesh at Hyderabad or authority of appropriate jurisdiction sanctioning the Scheme, as the case may be.

(vii) "Undertaking of the Transferor Company" includes :-

(a) all the assets and property of the Transferor Company as on the Appointed Date ;

(b) all debts, liabilities, duties, responsibilities and obligations of the Transferor Company as on the Appointed Date ;

Without prejudice to the generality of the above, (i) the assets and property of the Transferor Company shall include the entire business and all rights, privileges, powers and authorities and all property, movable or immovable, real, corporeal or incorporeal, leasehold or otherwise, mining rights, mining lease rights in respect of land allotted by the Government, in possession or reversion, present or contingent of whatever nature and wheresoever situate, including fixed assets, capital works in progress, current assets, investment of all kind, approvals, permissions, consents, exemptions, registrations, no-objection certificates and certifications, permits, quotas, rights, entitlements, tenancies, roof rights, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights, benefits of security arrangements, contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, easements, advantages, exemptions, benefits, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled including right to use of telephones, telex, facsimile connections and installations, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, subsidies, grants, tax credits, and any accretions or additions arising to any of the foregoing on and after the Appointed Date and (ii) all the debts, liabilities, duties, responsibilities and obligations of Transferor Company shall include all obligations of whatsoever kind including liabilities for payment of gratuity, provident fund, service tax and other statutory dues, if any.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

2. References in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

The capital structure of the two companies as are parties to the present Scheme, is as under:

**(i). Transferor Company**

The capital structure of the Transferor Company as at March 31, 2010 is as follows:

| **SHARE CAPITAL** | **Rs.** |
|---|---|
| **AUTHORISED CAPITAL** | |
| 6750000 Equity Shares of Rs.10/- each | 6,75,00,000 |
| | **6,.75,00,000** |
| **ISSUED, SUBSCRIBED AND PAID UP CAPITAL** | |
| 46,00,000 Equity Shares of Rs.10/- each, fully paid up | 4,60,00,000 |
| Share Application Money | 3,41,092 |
| **TOTAL** | **4,63,41,092** |

**(ii) Transferee Company**

The capital structure of the Transferee Company as at March 31, 2010 is as follows:

| **SHARE CAPITAL** | |
|---|---|
| **AUTHORISED CAPITAL** | |
| 2,00,00,000 Equity Shares of Rs.10/- each | 20,00,00,000 |
| 20,00,000 Preference Shares of Rs.10/- each | 2,00,00,000 |
| **TOTAL** | **22,00,00,000** |
| **ISSUED, SUBSCRIBED AND PAID UP CAPITAL** | |
| 1,50,02,300 Equity Shares of Rs.10/- each | 15,00,23,000 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**PART II**

**Amalgamation**

3.1 (a). With effect from the Appointed Date and upon the Scheme becoming effective, all the assets and properties, both movable and immovable, investments, rights, title and interests comprised in the Undertaking of the Transferor Company shall pursuant to the Scheme being sanctioned by the High Court under Section 394(2) of the Act and without any further act or deed be transferred to, and vested in, or deemed to have been transferred to, and vested in, the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company subject to Clause 3.2 of this Scheme in relation to charges thereon in favour of banks and/or financial institutions.

(b). With effect from the Appointed Date and upon the Scheme becoming effective, all rights and licenses relating to trademarks, know-how, technical know-how, trade names, descriptions, trading style, franchises, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights (including applications submitted to the registration authorities on or before the Effective Date by the Transferor Company), tenancies with the consent of the landlord wherever necessary, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled/eligible and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of, the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

(c). The transfer/vesting, as aforesaid, shall be subject to existing charges/hypothecation/mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Provided, however, that any reference in any security documents or arrangements to which the Transferor Company is a party, to such assets of the Transferor Company offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company shall be construed as reference only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of this Clause 3.1 to the end and intent that such security, mortgage and/or charge shall not extend or be deemed to extend to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors.

(d). In particular, with effect from the Appointed Date and upon the Scheme becoming effective, all licenses, sanctions, consents, authorization approvals and permissions (whether statutory or otherwise) of the Transferor Company pertaining to the conduct of its business (including, without limitation, benefits, remissions, special reservations available to the Transferor Company, under any income tax, sales tax (including any benefits related to the deferment of sales tax) and excise (whether modvat or cenvat) laws (whether such laws be enacted at the central and/or state levels including excise credits), shall vest in the Transferee Company and the concerned licensors and grantors of such approvals or permissions, shall endorse and record the Transferee Company on such approvals and permissions so as to empower and facilitate the approval and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance or let from the Appointed Date.

(e). All assets and properties as are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery or by endorsement and delivery, shall stand so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly and such transfer shall be deemed to have taken place at the Registered Office of the Transferee Company in the State of Andhra Pradesh.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(f). All debts, outstandings and receivables of the Transferor Company shall accordingly, on and from the Appointed Date and upon the Scheme becoming effective, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred and vested in the Transferee Company) and the debtors shall be obliged to make payment to the Transferee Company after the Effective Date.

3.2. TRANSFER OF LIABILITIES

(i). With effect from the Appointed Date and upon the Scheme becoming effective, all debts (whether secured or unsecured), liabilities (including contingent liabilities, whether disclosed or undisclosed), taxes, duties and obligations of every kind, nature and description of the Transferor Company along with any charge, encumbrance, lien or security thereon shall also be vested and stand transferred to and be deemed to be and stand vested in the Transferee Company without any further act, or instrument or deed pursuant to the Scheme being sanctioned by the High Court under Section 394(2) of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company from the Appointed Date and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

(ii). All the existing securities, mortgages, charges, encumbrances or liens (the Encumbrances), if any created by the Transferor Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Undertaking of the Transferor Company transferred to the Transferee Company, by virtue of this Scheme and in so far as such Encumbrances secure or relate to the liabilities of the Transferor Company, the same shall, after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company.

(iii). Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without any prejudice to the foregoing provisions and upon the effectiveness of this Scheme, the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charges, with the Registrar of Companies, Andhra Pradesh to give formal effect to the above provisions, if required.

3.3 In consideration of the transfer of undertaking of the Transferor Company, the Transferee Company shall issue its shares to the shareholders of the Transferor Company in terms of Clause 8 of this Part of the Scheme.

3.4 ACCOUNTING MATTERS

(a). Upon the Scheme becoming effective, Transferee Company shall account for the amalgamation in its books as per the "Pooling of Interests Method" under the Accounting Standard AS 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.

(b). All the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme upon the Appointed Date and shall be recorded by the Transferee Company in its books at their respective book values.

(c). To the extent that there are any money received, loans, outstandings or balances due, from the Transferor Company to the Transferee Company or vice versa the amount and / or obligations in respect thereof as on the Effective Date shall be extinguished upon the merger of interest between the creditor and debtor and corresponding effect shall be given in the books of account and records of the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

( c) For any matter arising in connection with the accounting treatment, the same would be finalized in consultation with the Statutory Auditor of the Transferee Company, subject to Accounting Standard - 14 issued by the Institute of Chartered Accountants of India.

4. CONTRACTS AND INTELLECTUAL PROPERTY RIGHTS

(a). With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Undertaking of the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be entitled/eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

(b). For the avoidance of all doubt, it is expressly made clear that the transfer of Undertaking of the Transferor Company as contemplated herein, shall not affect the previous operation of any contract, agreement, deed or any instrument or the like to which the Transferor Company is a party or is the beneficiary of (as the case may be) and any reference in such agreements, contracts, deeds and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Effective Date.

5. LEGAL PROCEEDINGS

On and from the Appointed Date and upon the Scheme becoming effective, all suits, actions and other legal proceedings by or against the Transferor Company under any statute or otherwise, whether pending, or arising, before the Appointed Date shall be continued and enforced by or against the Transferee Company.

6. EMPLOYEES

(a). All permanent employees, if any, of the Transferor Company as on the Effective Date shall as from such date, become employees of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are not less favourable than those applicable to them as employees of the Transferor Company on such date. With regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company, from the Effective Date the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds and the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents provided that if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company.

It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds and trusts.

(b). In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company, such funds shall be transferred by such trustees of the trusts of the Transferor Company, to separate trusts and the trustees of the Transferee Company set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act 1882, and the Income Tax Act, 1961 and relevant stamp legislations as applicable provided that if the Transferee Company

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

considers it desirable for the smooth administration, management, operation and uniformity of such trusts of the Transferor Company, the same may be merged with similar trusts of the Transferee Company. Appropriate deeds of trusts and/or documents for transfer of trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. The provident fund trust, gratuity trust or superannuation trusts of the Transferor Company shall continue to hold such securities, trust funds and/or trust monies as hithertofore, till such time as the transfer to the trustees of the Transferee Company employee trusts is made.

(c). The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Company with any employees of the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

7. BUSINESS AND PROPERTY IN TRUST FOR THE TRANSFEREE COMPANY

With effect from the Appointed Date and up to and including the Effective Date:

(a). The Transferor Company shall carry on its business activities with reasonable diligence and business prudence and shall conduct its business in the ordinary course consistent with past practice.

(b). Until the Effective Date and subject to such consents as may be necessary :

(i). the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking of the Transferor Company on account of and in trust for the Transferee Company ;

(ii). all the profits or incomes accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as profits or incomes or expenditure or losses of the Transferee Company ;

8.0 ISSUE OF SHARES BY TRANSFEREE COMPANY

8.1 Upon the Effective Date and in consideration of the amalgamation, including the transfer and vesting of the Transferred Undertaking in the Transferee Company pursuant to Part II of this Scheme, the Transferee Company shall, without any further act or deed and without requirement of payment, issue and allot to each Shareholder of the Transferor Company whose name is recorded in the Register of Members of the Transferor Company subject to extinguishment of shares as set out below ,on the Record Date to be fixed in that behalf by the Board of Directors or a Committee thereof of the Transferee Company, in respect of paid-up equity share capital of the Transferor Company as on the Effective Date, in the following manner on the basis of the Exchange Ratio arrived at by M/s. Deloitte Touche Tohmatsu India Private Limited ("DTTIPL") and M/s. KPMG India Private Limited (KPMG) in their reports dated 17th September 2010 and 15th September 2010 respectively read with the certificate of fairness opinion dated 21st October 2010 furnished by M/s. Karvy Investor Services Limited :

10 (Ten) Equity Shares of Rs.10 each in the share capital of the Transferee Company credited as fully paid up for every Fourteen (14) Equity Shares of Rs.10/- each fully paid up held by such members in the share capital of the Transferor Company.

Upon the Effective Date, 9,00,000 equity shares held in the Transferee Company by the Transferor Company shall stand extinguished and no equity shares shall be allotted to the Transferor Company pursuant to this Clause 8.1. Consequently, the subscribed and paid-up share capital of the Transferee Company shall stand reduced upon such extinguishment to the extent of 9,00,000 equity shares.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

8.2 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred and taxes, if any) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

8.3 The equity shares to be issued and allotted by the Transferee Company in terms of Sub-Clause 8.1 above shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company and shall bo listed on the Stock Exchanges where the existing shares of the Transferee Company are currently listed and shall be subject to lock in provisions of SEBI (ICDR) 2009, wherever applicable.

8.4 Unless otherwise determined by the Board of Directors or any Committee thereof of the Transferee Company, issuance of shares in terms of Clause 8.1 above shall be done within 90 days from the Effective Date.

8.5 Issue of shares in dematerialised form:

(a). In so far as the issue of new equity shares pursuant to Clause 8.1 above is concerned, each of the shareholders of the Transferor Company holding shares in physical form shall have the option, exercisable by notice in writing by them to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a Committee of such Board of Directors, to receive, the new equity shares of the Transferee Company either in certificate form or in dematerialised form, in lieu of their shares in the Transferor Company in accordance with the terms hereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares of the Transferee Company shall be issued to such members in physical form. Those of the members of the Transferor Company who exercise the option to receive the shares in dematerialised form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit the demat / dematerialised securities account of such member with the new equity shares of the Transferee Company.

9.0 DISSOLUTION OF THE TRANSFEROR COMPANY

With effect from the Effective Date, the Transferor Company shall stand dissolved without being wound up.

10. APPROVALS AND MODIFICATIONS

(a). The Transferor Company and the Transferee Company may jointly assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to the Scheme or to any conditions or limitations which the High Court of Andhra Pradesh and/or the other competent authorities, if any, under any law, may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out the Scheme and do and execute all acts, deeds, matters and things necessary for bringing the Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective board of directors, a committee or committee of the concerned board or any director (hereafter referred as the "delegates").

(b). For the purpose of giving effect to the Scheme or any modifications or amendments thereof or additions thereto the delegate(s) of the Transferor Company and Transferee Company may jointly give and are hereby authorised to determine and give all such directions as are neeessary including directions for settling or removing any difficulties, as the case may be, which shall be binding on all parties in the same manner as if the same were specifically incorporated in the Scheme.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR.

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(c). After the dissolution of the Transferor Company, the Transferee Company acting through its board of directors or other persons, duly authorized by its board in this regard, shall be authorized, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions that may arise, whether by reasons of any order of the High Court of Judicature of Andhra Pradesh at Hyderabad or of any directive or order of any other authorities or otherwise, in connection with this Scheme and/or matters concerning or connected therewith.

(d). If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by, any High Court, or is unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

11. SCHEME CONDITIONAL UPON

This Scheme is conditional upon the following approvals:

(a). the approval of the Scheme by the requisite majority of the members and the creditors of the Transferor Company and the Transferee Company, as required under Section 391 of the Act ;

(b). the sanction of the Scheme by the High Court of Judicature of Andhra Pradesh at Hyderabad under Sections 391 and 394 of the Act and other applicable provisions of the Act, rules and regulations;

12. COSTS, CHARGES AND EXPENSES

Upon the Scheme becoming effective, all costs, charges, taxes including stamp duties, levies and all other expenses, if any, of the Transferor Company and the Transferee Company arising out of/or incurred after the Effective Date for carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company (save as otherwise expressly agreed in writing).

13. SANCTION AND APPROVALS NOT FORTHCOMING

Save and except in respect of any act or deed done prior thereto as is contemplated hereunder, or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law, the Scheme shall stand revoked, cancelled and be of no effect if the events or sanctions and approvals referred to in Clause 11 have not occurred or have not been obtained by 31st December 2011 or such extended period as may be agreed in writing between the Transferor Company and the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL: HYDERABAD BENCH AT HYDERABAD

C.P.(CAA) No. /230/HDB/2021

In the matter of Companies Act, 2013
And
In the matter of Sections 230 R/W Sec.232 of the Companies Act 2013

M/s.Sagar Cements (R)Limited
... 1st Petitioner/
Transferor Company

And

M/s Sagar Cements Limited
.. 2nd Petitioner/
Transferee Company

**JOINT PETITION FILED UNDER SECTIONS 230 AND 232 OF THE COMPANIES ACT, 2013**

Filed on : 16.12.2021.

Filed by : V. B. Raju

Counsels for the Petitioners

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH: AT HYDERABAD

CP (CAA) No. / 230/HDB/2021

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|---|---|---|---|
| 6 | A copy of the Audited Balance Sheet as at 31.03.2021 of the 2nd Petitioner /Transferee Company is annexed hereto as **Annexure-4.** | 31.03.2021 | 176-221 |
| 7 | A Copy of the Board Resolution of the 1st Petitioner/ Transferor Company is annexed hereto as **Annexure-5.** | 26.04.2021 | 222-224 |
| 8 | A Copy of the Board Resolution of the 2nd Petitioner / Transferee Company is annexed hereto as **Annexure-6.** | 26.04.2021 | 225-227 |
| 9 | A copy of the Scheme of Amalgamation as approved by the Board of Directors of the Petitioner/Transferor and Transferee Companies is annexed hereto as **Annexure-7.** | 14.12.2021 | 228-263 |
| 10 | A copy of the order passed in CA(CAA) No.37/230/HDB/2021 by this Hon'ble Tribunal dated 28.10.2021 is annexed hereto as **Annexure-8.** | 28.10.2021 | 264-277 |
| 11 | Copies of the Chairman's Reports of Equity Shareholders, Secured Creditors and Unsecured Creditors are annexed hereto as **Annexure-9.** | 15.12.2021 | 278-308 |
| 12 | A Copy of the Certificate issued by the Auditor under Section 133 of the Companies Act, 2013 is annexed hereto as **Annexure-10** | 05.07.2021 | 309-312 |

Place: Hyderabad
Date : 16.12.2021

Counsel for the Petitioners

Annexure-4

**Deloitte**
**Haskins & Sells**

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Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
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## INDEPENDENT AUDITOR'S REPORT

### To The Members of Sagar Cements Limited
### Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Sagar Cements Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Key Audit Matters

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR.

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Key Audit Matter | Auditor's Response |
|---|---|
| **Revenue recognition – Price Equalizer Discounts (Refer Note 41 of the Standalone financial statements)**<br><br>• Revenue is measured net of discounts earned by customers on the Company's sales.<br><br>• Due to the Company's presence across different marketing regions within the country and the competitive business environment, price equalizer discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which are collated periodically by the management and are prone to manual interventions.<br><br>• Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price equalizer discounts.<br><br>• Given the complexity involved in the assessment of price equalizer discounts and their periodic recognition against sales, the same is considered as key audit matter. | **Principal audit procedures performed:**<br><br>• Assessed the appropriateness of the Company's accounting policies relating to price equalizer discounts by comparing with applicable accounting standards.<br><br>• Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes.<br><br>• Obtained and inspected, on a sample basis, supporting documentation for price equalizer discounts recorded and credit note issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately.<br><br>• Compared the historical trend of price equalizer discounts to sales made to determine the appropriateness of current year's discount charge. |

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Integrated report and Management Discussion and Analysis Report including Annexures and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**Management's Responsibility for the Standalone Financial Statements**

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

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

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

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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

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

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

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

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

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

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

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

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

**Ganesh Balakrishnan**
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADJ2094)

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (K) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

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

**Ganesh Balakrishnan**
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADJ2094)

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

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

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts has been regular and interest have been regular as per stipulations except for interest relating to one loan, which has not been repaid owing to certain contractual obligations which prevent the party from repayment.

c) There is no overdue amount remaining outstanding as at the balance sheet.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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

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

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

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

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

| Name of Statute | Nature of Dues | Forum where Dispute is pending | Period to which the Amount relates | Amount involved (₹ Lakhs) | Amount Unpaid (₹ Lakhs) |
|---|---|---|---|---|---|
| Central Excise Act, 1944 | Excise Duty | CESTAT | 2011-12 to 2012-13 | 214 | 168 |
| | | Commissioner of Appeals | 2010-11 to 2017-18 | 1,301 | 11 |
| | | Assistant Commissioner | 2014 -15 to 2015-16 | 41 | 41 |
| Sales Tax and VAT laws | Sales Tax and VAT | Sales Tax Appellate Tribunal | 1999-2000 | 20 | 15 |
| | | High Court of Telangana and Andhra Pradesh | 2010-11 | 7 | 7 |
| | | High Court of Telangana | 2017-18 to 2018-19 | 209 | 157 |
| The Customs Act, 1962 | Customs Duty | CESTAT | 2012-13 | 193 | 189 |
| The Finance Act, 1994 | Service Tax | Assistant Commissioner | 2016-17 to 2017-18 | 181 | 175 |
| The Income Tax Act, 1961 | Income Tax | Income Tax Appellate Tribunal | 2009-10 to 2010-11 | 28 | 28 |
| | | Commissioner of Income-tax (Appeals) | 2012-13 | 25 | - |
| | | Commissioner of Income-tax (Appeals) | 2017-18 | 92 | 92 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Name of Statute | Nature of Dues | Forum where Dispute is pending | Period to which the Amount relates | Amount involved (₹ Lakhs) | Amount Unpaid (₹ Lakhs) |
|---|---|---|---|---|---|
| Local Areas Act, 2001 | Entry Tax | Additional Divisional Commissioner, Rural Division, Hyderabad | 2012-13 to 2015-16 | 11 | 7 |
| | | High Court of Telangana and Andhra Pradesh | 2016-17 to 2017-18 | 88 | 66 |

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

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

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

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

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

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

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

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares and Company has not issued any debentures during the year under review.

In respect of the above issue, we further report that:

a. the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b. the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Deloitte**
**Haskins & Sells**

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

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

**Ganesh Balakrishnan**
(Partner)
(Membership No. 201193)
(UDIN: 21201193AAAADJ2094)

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (K) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements Limited
Balance Sheet as on March 31, 2021
All amounts are in ₹ Lakhs unless otherwise stated

| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 2 | 79,241 | 83,275 |
| (b) Capital work-in-progress | | 2,536 | 1,983 |
| (c) Intangible assets | 3 | 23 | 13 |
| (d) Right of use assets | 4 | 55 | 130 |
| (e) Financial assets | | | |
| (i) Investments | 5 | 62,128 | 47,726 |
| (ii) Loans | 6 | 2,500 | - |
| (iii) Other financial assets | 7 | 1,263 | 1,381 |
| (f) Income tax assets (net) | 27 | 274 | 308 |
| (g) Other non-current assets | 8 | 1,160 | 859 |
| **Total Non-current assets** | | 1,49,180 | 1,35,675 |
| **Current assets** | | | |
| (a) Inventories | 9 | 9,197 | 8,067 |
| (b) Financial assets | | | |
| (i) Trade receivables | 10 | 7,305 | 9,486 |
| (ii) Cash and cash equivalents | 11 | 19,433 | 171 |
| (iii) Bank balances other than cash and cash equivalents | 12 | 914 | 843 |
| (iv) Loans | 6 | - | 1,500 |
| (v) Other financial assets | 7 | 252 | 4,614 |
| (c) Other current assets | 8 | 4,649 | 7,258 |
| **Total Current assets** | | 41,750 | 31,939 |
| **TOTAL ASSETS** | | 1,90,930 | 1,67,614 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 13 | 2,350 | 2,228 |
| (b) Other equity | 14 | 1,22,283 | 1,01,023 |
| **Total Equity** | | 1,24,633 | 1,03,251 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 12,397 | 11,514 |
| (ii) Lease liabilities | 36 | 41 | 126 |
| (iii) Other financial liabilities | 16 | 5,700 | 8,683 |
| (b) Provisions | 17 | 490 | 843 |
| (c) Deferred tax liabilities (net) | 27 | 8,200 | 4,391 |
| (d) Other non-current liabilities | 18 | 179 | 179 |
| **Total Non-current liabilities** | | 27,007 | 25,736 |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 9,708 | 10,765 |
| (ii) Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 13 | 125 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 17,491 | 16,729 |
| (iii) Lease liabilities | 36 | 20 | 10 |
| (iv) Other financial liabilities | 16 | 3,983 | 6,886 |
| (b) Provisions | 17 | 376 | 308 |
| (c) Income tax liabilities (net) | 27 | 1,170 | 602 |
| (d) Other current liabilities | 18 | 6,529 | 3,202 |
| **Total Current liabilities** | | 39,290 | 38,627 |
| **Total Liabilities** | | 66,297 | 64,363 |
| **TOTAL EQUITY AND LIABILITIES** | | 1,90,930 | 1,67,614 |
| **Corporate information and significant accounting policies** | 1 | | |
| **See accompanying notes forming part of the financial statements** | | | |

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

**Ganesh Balakrishnan**
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

**For and on behalf of the Board of Directors**

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

**R. Soundararajan**
Company Secretary

Place: Hyderabad
Date: May 12, 2021

**S. Sreekanth Reddy**
Joint Managing Director

**K. Prasad**
Chief Financial Officer

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements Limited
Statement of profit and loss for the year ended March 31, 2021
All amounts are in ₹ Lakhs unless otherwise stated

| | Particulars | Note | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| I | Revenue from operations | 19 | 1,00,170 | 84,758 |
| II | Other income | 20 | 2,069 | 1,632 |
| III | Total income (I + II) | | 1,02,239 | 86,390 |
| IV | Expenses | | | |
| | (a) Cost of materials consumed | 21 | 15,210 | 15,983 |
| | (b) Purchases of stock-in-trade | 22a | 2,028 | 4,117 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22b | 1,389 | (602) |
| | (d) Employee benefit expenses | 23 | 6,604 | 5,570 |
| | (e) Finance costs | 24 | 2,525 | 3,392 |
| | (f) Depreciation and amortisation expense | 25 | 5,620 | 5,507 |
| | (g) Power and fuel expenses | | 17,536 | 21,675 |
| | (h) Freight and forwarding | | 15,563 | 14,171 |
| | (i) Other expenses | 26 | 11,525 | 11,954 |
| | Total Expenses | | 78,000 | 81,767 |
| V | Profit before tax (III - IV) | | 24,239 | 4,623 |
| VI | Tax expense | | | |
| | (a) Current tax | 27 | 6,610 | 850 |
| | (b) Deferred tax | 27 | 1,433 | 300 |
| | Total Tax expense | | 8,043 | 1,150 |
| VII | Profit after tax (V - VI) | | 16,196 | 3,473 |
| VIII | Other comprehensive income | | | |
| | (i) Items that will not be reclassified to profit and loss | | | |
| | (a) Remeasurement of the defined benefit plan | | 12 | (64) |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | | (4) | 22 |
| | Other comprehensive income for the year, net of tax | | 8 | (42) |
| IX | Total comprehensive income (VII + VIII) | | 16,204 | 3,431 |
| X | Earnings per share (Face value of ₹ 10 each) | | | |
| | Basic and Diluted | 37 | 70.02 | 16.17 |
| | Corporate information and significant accounting policies | 1 | | |
| | See accompanying notes forming part of the financial statements | | | |

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

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Sagar Cements Limited**
**Statement of changes in equity for the year ended March 31, 2021**
**All amounts are in ₹ Lakhs unless otherwise stated**

**A. Equity share capital**

| Particulars | Amount |
|---|---|
| Balance at March 31, 2019 | 3,040 |
| Changes in equity share capital during the year | 288 |
| Balance at March 31, 2020 | 3,328 |
| Changes in equity share capital during the year | 122 |
| Balance as at March 31, 2021 | 3,350 |

**B. Other equity**

| Particulars | Reserves and surplus | | | | Other items of other comprehensive income | Money received against share warrants | Total other equity |
|---|---|---|---|---|---|---|---|
| | Capital reserve | Securities premium account | General reserve | Retained earnings | | | |
| **Balance as at March 31, 2019** | 35 | 32,007 | 3,598 | 46,962 | (158) | 5,650 | 88,129 |
| Profit for the year | - | - | - | 3,473 | - | - | 3,473 |
| Dividend on equity shares (including tax) | - | - | - | (615) | - | - | (615) |
| Other comprehensive income for the year (net of tax ₹ 21) | - | - | - | - | (42) | - | (42) |
| Money received against share warrant (Refer Note 39) | - | - | - | - | - | 10,266 | 10,266 |
| Allotment of equity shares upon conversion of warrants (Refer Note 39) | - | - | - | - | - | (188) | (188) |
| Premium on allotment of equity shares upon conversion of warrants (Refer Note 39) | - | 13,500 | - | - | - | (13,500) | - |
| **Balance as at March 31, 2020** | 35 | 45,507 | 3,598 | 49,839 | (199) | 2,228 | 1,01,823 |
| Profit for the year | - | - | - | 16,396 | - | - | 16,396 |
| Dividend on equity shares | - | - | - | (1,528) | - | - | (1,528) |
| Other comprehensive income for the year (net of tax ₹ 4) | - | - | - | - | 8 | - | 8 |
| Money received against share warrant (Refer Note 39) | - | - | - | - | - | 8,706 | 8,706 |
| Allotment of equity shares upon conversion of warrants (Refer Note 39) | - | - | - | - | - | (122) | (122) |
| Premium on allotment of equity shares upon conversion of warrants (Refer Note 39) | - | 8,820 | - | - | - | (8,820) | - |
| **Balance as at March 31, 2021** | 35 | 54,327 | 3,598 | 64,507 | (184) | - | 1,22,283 |

See accompanying notes forming part of the standalone financial statements

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

Ganesh B Nateekumar
Partner
Membership No: 201193

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements Limited
Statement of cash flows for the year ended March 31, 2021
All amounts are in ₹ Lakhs unless otherwise stated

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| | Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|
| A. | Cash flow from operating activities | | | | |
| | Profit after tax | | 16,195 | | 3,473 |
| | Adjustments for | | | | |
| | Tax expense | 8,849 | | 1,150 | |
| | Depreciation and amortisation expense | 5,520 | | 5,507 | |
| | Finance costs | 2,915 | | 3,392 | |
| | Interest income | (1,707) | | (1,447) | |
| | Liabilities no longer required written back | (31) | | (22) | |
| | Advances written off | - | | 25 | |
| | Expected credit loss allowance on trade receivables | 12 | | 215 | |
| | Unrealised loss on foreign currency transactions and translation | 16 | | 169 | |
| | Net loss/ (gain) on fair value change in financial instruments | 120 | | (325) | |
| | Profit on sale of property, plant and equipment (net) | (50) | | (33) | |
| | Incentives received from government | (1,714) | | (1,072) | |
| | | | 12,834 | | 7,759 |
| | Operating profit before working capital changes | | 29,030 | | 11,232 |
| | Changes in working capital | | | | |
| | Adjustments for (increase)/decrease in operating assets: | | | | |
| | Trade receivables | 2,169 | | (1,887) | |
| | Inventories | (1,130) | | 2,544 | |
| | Other financial assets | 303 | | (51) | |
| | Other assets | (562) | | 3,050 | |
| | | | 740 | | 1,656 |
| | Adjustments for increase/(decrease) in operating liabilities: | | | | |
| | Trade payables | 465 | | 1,695 | |
| | Other financial liabilities | (75) | | 1,234 | |
| | Provisions | (273) | | 221 | |
| | Other liabilities | 3,327 | | (1,573) | |
| | | | 3,644 | | 1,577 |
| | Cash generated from operating activities | | 33,414 | | 14,475 |
| | Less: Income tax paid | | (3,635) | | (1,004) |
| | Net cash generated from operating activities | | 29,779 | | 13,471 |
| B | Cash flow from investing activities | | | | |
| | Capital expenditure on property, plant and equipment including capital advances | (2,689) | | (6,682) | |
| | Deposits not considered as cash and cash equivalents | | | | |
| | - Placed | (178) | | (1,760) | |
| | - Matured | - | | 2,166 | |
| | Proceeds from disposal of plant and equipment | 183 | | 66 | |
| | Investments in subsidiaries during the year | (10,502) | | (12,800) | |
| | Interest received | 2,044 | | 153 | |
| | Net cash used in investing activities | | (12,141) | | (18,857) |
| C | Cash flow from financing activities | | | | |
| | Proceeds on allotment of equity shares upon conversion of warrants | 8,708 | | 10,256 | |
| | Proceeds from non-current borrowings | 5,701 | | 12,394 | |
| | Repayment of non-current borrowings | (4,438) | | (15,318) | |
| | Repayment of unsecured loans from related party | 1,500 | | 500 | |
| | Payment of unsecured loans to related parties | (2,500) | | - | |
| | Proceeds from current borrowings (net) | (1,067) | | 110 | |
| | Repayment of lease liabilities | (126) | | (117) | |
| | Finance costs | (2,539) | | (3,439) | |
| | Dividends paid including tax | (1,525) | | (615) | |
| | Net cash generated from financing activities | | 1,624 | | 3,773 |
| | Net increase/ (decrease) in cash and cash equivalent (A+B+C) | | 19,262 | | (1,613) |
| | Cash and cash equivalent at the beginning of the year | | 171 | | 1,784 |
| | Cash and cash equivalent at the end of the year (Refer Note 11) | | 19,433 | | 171 |
| | Note: | | | | |
| | Cash and cash equivalents comprises of: | | | | |
| | Cash in hand | | 1 | | 4 |
| | Balances with banks | | 582 | | 167 |
| | Deposits with banks | | 18,850 | | - |
| | Cash and cash equivalents (Refer Note 11) | | 19,433 | | 171 |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Sagar Cements Limited
Statement of cash flows for the year ended March 31, 2021
All amounts are in ₹ lakhs unless otherwise stated

Reconciliations of liabilities from financing activities:

| Particulars | As at April 01, 2020 | Proceeds | Repayment | Fair value changes | As at March 31, 2021 |
|---|---|---|---|---|---|
| Long-term borrowings (including current maturities) | 14,792 | 5,701 | (4,433) | - | 16,060 |
| Short-term borrowings | 10,765 | - | (1,057) | - | 9,708 |
| Total liabilities from financing activities | 25,557 | 5,701 | (5,490) | - | 25,768 |

| Particulars | As at April 01, 2019 | Proceeds | Repayment | Fair value changes | As at March 31, 2020 |
|---|---|---|---|---|---|
| Long-term borrowings (including current maturities) | 17,724 | 12,394 | (15,326) | - | 14,792 |
| Short-term borrowings | 10,655 | 551 | (441) | - | 10,765 |
| Total liabilities from financing activities | 28,379 | 12,945 | (15,767) | - | 25,557 |

Reconciliation of lease liability:

| Particulars | As at April 01, 2020 | Additions | Finance cost accrued during the year | Payment of lease liabilities | As at March 31, 2021 |
|---|---|---|---|---|---|
| Lease liabilities | 136 | 43 | 8 | (126) | 61 |

| Particulars | As at April 01, 2019 | Recognition on adoption of Ind AS 116 | Finance cost accrued during the year | Payment of lease liabilities | As at March 31, 2020 |
|---|---|---|---|---|---|
| Lease liabilities | - | 242 | 11 | (117) | 136 |

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

Ganesh Balakrishnan
Partner
Membership No: 201193

Place: Hyderabad
Date: May 12, 2021

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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1. Corporate information and significant accounting policies

a) Corporate information:
Sagar Cements Limited ("the Company") was incorporated under the Companies Act, 1956 as a public limited company on January 15, 1981. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Hyderabad, Telangana. Its shares are listed on The National Stock Exchange (NSE) and the BSE Limited of India.

b) Significant accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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- **Defined benefit plans**

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

- **Recognition of deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.

- **Fair value measurement of Financial instruments**

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

- **Provisions and contingencies**

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

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

- **Leases**

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

- **Impairment of investments in subsidiaries**

Determining whether the investments in subsidiaries, are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

- **Inventories**

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

- **Expected credit losses**

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

v) **Revenue recognition:**

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

Revenue from service contracts with customers is recognized when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

Generation of Power:

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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

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

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

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

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

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

vii) **Government grants**
Grants from the Government are recognized when there is reasonable assurance that:
a) The Company will comply with the conditions attached to them; and
b) The grant will be received.

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

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

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

**Compensated Absences:**

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

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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

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

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

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

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

**Minimum alternate tax**
Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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

Capital works in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such Capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.
Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under diminishing balance method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Class of asset | Useful lives |
|---|---|
| Railway siding | 25 years |
| Plant and machinery other than continuous process plant | 3 - 25 years |
| Electrical installations | 15 years and 25 years |

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

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

Land-Restoration:

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

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

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

xi) Intangible assets

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

xii) Inventories

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

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

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

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

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

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

xiv) Foreign currency transactions and translations:

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

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

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

xv) Financial instruments:

(A) Initial recognition:

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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(B) Subsequent measurement:

Non-derivative financial instruments:

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

b. Financial assets at fair value through other comprehensive income: A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments other than investment in equity instruments of subsidiaries to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

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

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

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

f. Investment in subsidiaries:
Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

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

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

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR.

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xvi) Impairment of assets

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

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

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

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

c. Impairment of investment in subsidiaries
Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments

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

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

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

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

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

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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

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

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

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

(xi) Operating cycle

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

(xii) Exceptional items:

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

(xiii) New standards and interpretations not yet adopted

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

2. Property, plant and equipment

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Land - freehold | 7,045 | 7,051 |
| Land - restoration | 125 | 134 |
| Buildings | 16,174 | 17,401 |
| Plant and machinery | 45,732 | 47,673 |
| Furniture and fittings | 133 | 171 |
| Office and other equipment | 1,078 | 1,118 |
| Electrical installations | 3,351 | 3,887 |
| Computers | 52 | 48 |
| Vehicles | 204 | 223 |
| Railway siding | 5,320 | 5,569 |
| Total | 79,241 | 83,275 |

For the year 2020-21

| Description of Assets | Land-freehold | Land-restoration | Buildings | Plant and machinery | Furniture and fittings | Office and other equipment | Electrical installations | Computers | Vehicles | Railway siding | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| I. Gross block | | | | | | | | | | | |
| Opening Balance | 7,051 | 179 | 25,581 | 89,439 | 837 | 4,516 | 8,757 | 292 | 880 | 6,684 | 1,34,186 |
| Add: Additions | - | | 235 | 810 | 2 | 179 | 182 | 30 | 88 | - | 1,526 |
| Less: Disposals | 6 | | - | 18 | - | - | 13 | - | 148 | - | 185 |
| Balance as at March 31, 2021 | 7,045 | 179 | 25,786 | 90,231 | 839 | 4,695 | 8,926 | 322 | 820 | 6,684 | 1,35,527 |
| II. Accumulated depreciation | | | | | | | | | | | |
| Opening Balance | - | 45 | 8,180 | 41,766 | 666 | 3,398 | 4,870 | 244 | 657 | 1,115 | 40,911 |
| Add: Depreciation expense | - | 9 | 1,452 | 2,335 | 43 | 213 | 678 | 26 | 86 | 249 | 5,591 |
| Less: Eliminated on disposal of assets | - | | - | 2 | - | - | 3 | - | 127 | - | 132 |
| Balance as at March 31, 2021 | - | 54 | 9,612 | 24,459 | 709 | 3,611 | 5,545 | 270 | 616 | 1,364 | 46,370 |
| Net block (I-II) | | | | | | | | | | | |
| Carrying value as at March 31, 2021 | 7,045 | 125 | 16,174 | 65,782 | 130 | 1,078 | 3,381 | 52 | 204 | 5,320 | 79,241 |
| Carrying value as at March 31, 2020 | 7,051 | 134 | 17,401 | 47,673 | 171 | 1,118 | 3,887 | 48 | 223 | 5,569 | 83,275 |

For the year 2019-20

| Description of Assets | Land-freehold | Land-restoration | Buildings | Plant and machinery | Furniture and fittings | Office and other equipment | Electrical installations | Computers | Vehicles | Railway siding | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| I. Gross block | | | | | | | | | | | |
| Opening Balance | 7,056 | 179 | 22,066 | 59,888 | 802 | 4,208 | 7,737 | 269 | 962 | 6,884 | 1,09,490 |
| Add: Additions | - | - | 3,486 | 9,936 | 35 | 310 | 1,045 | 23 | 57 | - | 14,892 |
| Less: Disposals | - | - | - | 32 | - | - | 25 | - | 139 | - | 196 |
| Balance as at March 31, 2020 | 7,051 | 179 | 25,551 | 69,439 | 837 | 4,516 | 8,757 | 292 | 880 | 6,684 | 1,24,186 |
| II. Accumulated Depreciation | | | | | | | | | | | |
| Opening Balance | - | 36 | 6,730 | 19,373 | 616 | 3,198 | 4,197 | 219 | 694 | 866 | 35,630 |
| Add: Depreciation expense | - | 9 | 1,420 | 2,606 | 50 | 239 | 697 | 25 | 98 | 249 | 5,394 |
| Less: Eliminated on disposal of assets | - | - | - | 13 | - | - | 24 | - | 135 | - | 173 |
| Balance as at March 31, 2020 | - | 45 | 8,150 | 21,766 | 666 | 3,398 | 4,870 | 244 | 657 | 1,115 | 40,911 |
| Net block (I-II) | | | | | | | | | | | |
| Carrying value as at March 31, 2020 | 7,051 | 134 | 17,401 | 47,673 | 171 | 1,118 | 3,887 | 48 | 223 | 5,569 | 83,275 |
| Carrying value as at March 31, 2019 | 7,051 | 143 | 15,335 | 40,362 | 186 | 1,047 | 3,540 | 50 | 278 | 5,818 | 73,810 |

Pledge on property, plant and equipment:
1. Property, plant and equipment (other than vehicles) with a carrying amount of ₹ 79,037 (March 31, 2020: ₹ 83,052) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari-passu second charge on the Company's current assets. Refer Note 15.
2. Vehicles with a carrying amount of ₹ 204 (March 31, 2020: ₹ 223) are hypothecated to respective banks against vehicle loans.

For SAGAR CEMENTS LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For THE RAS KIRAN & SETTY
CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

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3. Intangible assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Computer software | 23 | 13 |
| Total | 23 | 13 |

Computer Software:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| I. Gross block | | |
| Opening Balance | 267 | 267 |
| Add: Additions | 11 | - |
| Less: Disposals | - | - |
| Closing Balance | 278 | 267 |
| II. Accumulated amortisation | | |
| Opening Balance | 254 | 253 |
| Add: Amortisation expense | 1 | 1 |
| Less: Eliminated on disposal of assets | - | - |
| Closing Balance | 255 | 254 |
| Net block (I-II) | | |
| Carrying Value | 23 | 13 |

4. Right of use assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Buildings | 55 | 130 |
| Total | 55 | 130 |

Buildings:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| I. Gross block | | |
| Opening Balance | 242 | - |
| Add: Recognition on adoption of Ind AS 116 | - | 242 |
| Add: Additions | 43 | - |
| Less: Deletion | - | - |
| Closing Balance | 285 | 242 |
| II. Accumulated depreciation | | |
| Opening Balance | 112 | - |
| Add: Depreciation expense | 118 | 112 |
| Closing Balance | 230 | 112 |
| Net block (I-II) | | |
| Carrying Value | 55 | 130 |

Note: Refer Note 36 on operating lease.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Note | Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | No. of Shares | Amount | No. of shares | Amount |
| 5 | Investments in subsidiaries | | | | |
| | Investments in equity instruments (Unquoted) | | | | |
| | Sagar Cements (R) Limited (100%, (March 31, 2020: 100%) shareholding) (Refer Note (i) below and Note 42) | 11,59,62,525 | 27,068 | 10,28,12,925 | 16,553 |
| | Jaguar Cements Private Limited (100%, (March 31, 2020: 100%) shareholding) (Refer Note (iii) below and Note 39) | 5,39,30,000 | 8,479 | 3,86,80,000 | 4,154 |
| | Saiguru Cement Private Limited (65%, (March 31, 2020: 65%) shareholding) (Refer Note (iv) below and Note 39) | 28,97,143 | 15,409 | 28,97,143 | 13,000 |
| | Investments in preference shares | | | | |
| | Sagar Cements (R) Limited | | | | |
| | 8% Cumulative redeemable preference shares (Refer Note (ii) below) | 4,30,00,000 | 11,192 | 4,30,00,000 | 10,019 |
| | | | 62,129 | | 47,726 |
| | Aggregate amount of unquoted investments | | 62,129 | | 47,726 |

Notes:

(i) Includes investment of ₹ 401 (March 31, 2020: ₹ 401) on account of fair valuation of corporate guarantee given by the company on behalf of Sagar Cements (R) Limited, a wholly owned subsidiary.

(ii) During the year 2016-17, the Company converted the outstanding loan balance of ₹ 17,200 given to its wholly-owned subsidiary, Sagar Cements (R) Limited, as 43,000,000 8% cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 30 each. At initial recognition, the preference shares are measured at fair value. The difference between the fair value at initial recognition and the transaction price is accounted as deemed capital contribution to the subsidiary company. Accordingly, ₹ 6,866 is accounted as the fair value of the preference shares and ₹ 10,334 is accounted as deemed investment on conversion of loan to preference shares at concessional rate and added to the cost of investment held in the subsidiary. As at March 31, 2021, ₹ 1,163 (March 31, 2020: ₹ 1,044) has been recognised as interest income on preference shares and added to the cost of preference shares.

(iii) Includes investment of ₹ 254 (March 31, 2020: ₹ 254) on account of fair valuation of corporate guarantee given by the company on behalf of Jaguar Cements Private Limited, a wholly owned subsidiary.

(iv) Includes investment of ₹ 409 (March 31, 2020: ₹ 118) on account of fair valuation of corporate guarantee given by the company on behalf of Saiguru Cement Private Limited, a subsidiary Company.

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 6 | Loans (Unsecured, considered good) | | |
| | Non-current | | |
| | Loans to related party (Subsidiary) (Refer Note 35) | 2,500 | - |
| | Total | 2,500 | - |
| | Current | | |
| | Loans to related party (Subsidiary) | - | 1,500 |
| | Total | - | 1,500 |
| | Total loans | 2,500 | 1,500 |
| | Note: No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member. | | |
| | Loans classification: | | |
| | Loans receivables considered good - secured | - | - |
| | Loans receivables considered good - unsecured | 2,500 | - |
| | Loans receivables which have significant increase in credit risk | - | - |
| | Loans receivables - credit impaired | - | - |
| | Total Non-current loans | 2,500 | - |
| | Loans receivables considered good - secured | - | - |
| | Loans receivables considered good - unsecured | - | 1,500 |
| | Loans receivables which have significant increase in credit risk | - | - |
| | Loans receivables - credit impaired | - | - |
| | Total Current loans | - | 1,500 |
| 7 | Other financial assets (Unsecured, considered good) | | |
| | Non-current | | |
| | Security deposits | 1,259 | 1,375 |
| | Balances held as margin money deposit against borrowings | 213 | 6 |
| | Total | 1,363 | 1,381 |
| | Current | | |
| | Security deposits | 102 | 80 |
| | Advances to employee | 63 | 63 |
| | Interest accrued but not due (Refer Note below and Note 42) | 82 | 4,346 |
| | Derivative assets | 5 | 125 |
| | Total | 252 | 4,614 |
| | Total other financial assets | 1,615 | 5,995 |
| | Note: As per the Subsidiary Company's agreement with the International Financial Corporation(IFC), subsidiary Company's obligation towards debts and interest are subordinate to the payment due to IFC against the Non-convertible debentures issued to them. | | |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 8 | Other assets (Unsecured, considered good) | | |
| | Non-current | | |
| | Capital advances | 840 | 550 |
| | Prepaid expenses | 179 | 168 |
| | Balances with government authorities | 141 | 141 |
| | Total | 1,160 | 859 |
| | Current | | |
| | Advances to suppliers and service providers | 653 | 423 |
| | Advances to related parties (Refer Note 42) | - | 4,825 |
| | Prepaid expenses | 346 | 251 |
| | Balances with government authorities | 197 | 20 |
| | Excise duty refund receivable | 194 | 194 |
| | Incentives receivable from government (Refer Note 40) | 3,259 | 1,545 |
| | Total | 4,649 | 7,258 |
| | Total other assets | 5,809 | 8,117 |
| 9 | Inventories (at lower of cost and net realisable value) | | |
| | Raw materials | 1,014 | 788 |
| | Coal | 3,671 | 2,600 |
| | Work-in-progress | 429 | 1,408 |
| | Stores and spares | 2,337 | 1,802 |
| | Packing materials | 357 | 299 |
| | Finished goods | 508 | 918 |
| | Total (A) | 8,316 | 7,815 |
| | Goods-in-transit: | | |
| | Raw materials | 4 | - |
| | Coal | 838 | 250 |
| | Packing materials | 37 | - |
| | Finished goods | 2 | 2 |
| | Total (B) | 881 | 252 |
| | Total inventories (A+B) | 9,197 | 8,067 |
| | Note: Refer Note 1(b)(xii) for basis of valuation and for details of inventories pledged refer Note 15. | | |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 10 | **Trade receivables** | | |
| | Trade receivables considered good - Secured | 925 | 2,947 |
| | Trade receivables considered good - Unsecured (Refer Note below) | 6,380 | 6,539 |
| | Trade receivables - credit impaired | 707 | 695 |
| | **Sub-total** | 8,012 | 10,181 |
| | Less: Expected credit loss allowance | (707) | (695) |
| | **Total trade receivables** | 7,305 | 9,486 |

Note: Includes ₹ 13 (March 31, 2020: Nil) receivable from related party. Also Refer Note 35.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix. The ageing of the receivables is as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Within the credit period | 5,083 | 6,876 |
| 1-30 days past due | 1,338 | 1,068 |
| 31-60 days past due | 329 | 450 |
| 61-90 days past due | 153 | 188 |
| 91-180 days past due | 170 | 220 |
| More than 180 days past due | 939 | 1,379 |
| Total | 8,012 | 10,181 |

Movement in expected credit loss allowance

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | 695 | 480 |
| Add: Expected credit loss allowance | 12 | 215 |
| Balance at the end of the year | 707 | 695 |

| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 11 | **Cash and cash equivalents** | | |
| | Cash in hand | 1 | 4 |
| | Balances with banks | 582 | 167 |
| | Deposits with banks | 18,850 | - |
| | Total Cash and cash equivalents | 19,433 | 171 |
| 12 | **Bank balances other than cash and cash equivalents** | | |
| | Unpaid dividend account | 64 | 58 |
| | Margin money deposits (Refer Note below) | 850 | 785 |
| | **Total other bank balances** | 914 | 843 |

Note: Margin money deposits are against bank guarantees and cash credit facilities.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | No. of shares | Amount | No. of shares | Amount |
| 13 | Equity share capital | | | | |
| | Authorised: | | | | |
| | Equity shares of ₹ 10 each | 2,35,00,000 | 2,350 | 2,35,00,000 | 2,350 |
| | Issued, subscribed and fully paid: | | | | |
| | Equity shares ₹ 10 each | 2,35,00,000 | 2,350 | 2,22,75,000 | 2,228 |

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares | Amount | No. of shares | Amount |
| Opening balance | 2,22,75,000 | 2,228 | 2,04,00,000 | 2,040 |
| Allotment of equity shares upon conversion of warrants (Refer Note 39) | 12,25,000 | 122 | 18,75,000 | 188 |
| Closing balance | 2,35,00,000 | 2,350 | 2,22,75,000 | 2,228 |

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

(c) Details of shareholders holding more than 5% shares in the Company:

| Name of the shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of shares | % of holding | No. of shares | % of holding |
| S. Aruna | 13,69,545 | 5.83% | 13,69,545 | 6.15% |
| Rachana Sammidi | 11,67,283 | 4.97% | 11,67,183 | 5.24% |
| Dr. S. Anand Reddy | 13,06,524 | 5.56% | 13,06,524 | 5.87% |
| S. Sreekanth Reddy | 12,39,353 | 5.27% | 12,39,353 | 5.56% |
| R V Consulting Services Private Limited | 16,02,298 | 6.82% | 11,00,597 | 4.94% |
| HDFC Trustee Company Limited - Prudence Fund | 10,83,330 | 4.61% | 13,09,820 | 5.88% |
| AVH Resources India Private Limited | 51,33,754 | 21.85% | 43,58,704 | 19.57% |

(d) During the year 2020-21, the Company had converted 12,25,000 (2019-20: 18,75,000) warrants into equal number of equity shares. (Refer Note 39)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LTD

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 14 | **Other equity** | | |
| | Capital reserve | 35 | 35 |
| | Securities premium | 54,327 | 45,507 |
| | General reserve | 3,598 | 3,598 |
| | Retained earnings | 64,507 | 49,839 |
| | Other items of other comprehensive income | (184) | (192) |
| | Money received against share warrants | - | 2,236 |
| | **Total other equity** | 1,22,283 | 1,01,023 |

Movement in other equity is as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Capital reserve** | 35 | 35 |
| **Securities premium** | | |
| (i) Opening balance | 45,507 | 32,007 |
| (ii) Premium on allotment of equity shares upon conversion of warrants (Refer Note 39) | 8,820 | 13,500 |
| | 54,327 | 45,507 |
| **General reserve** | 3,598 | 3,598 |
| **Retained earnings** | | |
| (i) Opening balance | 49,839 | 46,981 |
| (ii) Profit for the year | 16,196 | 3,473 |
| | 66,035 | 50,454 |
| Less: Appropriations | | |
| (i) Dividend on equity shares (Refer Note 42) | 1,528 | 510 |
| (ii) Tax on dividend (Refer Note below) | - | 105 |
| | 64,507 | 49,839 |
| **Other items of other comprehensive income** | | |
| (i) Opening balance | (192) | (150) |
| (ii) Other comprehensive income for the year | 8 | (42) |
| | (184) | (192) |
| **Money received against share warrants** | | |
| (i) Opening balance | 2,236 | 5,658 |
| (ii) Money received against share warrant (Refer Note 39) | 6,706 | 10,266 |
| (iii) Allotment of equity shares upon conversion of warrants (Refer Note 39) | (122) | (188) |
| (iv) Premium on allotment of equity shares upon conversion of warrants (Refer Note 39) | (8,820) | (13,500) |
| | - | 2,236 |
| **Total** | 1,22,283 | 1,01,023 |

**Note:**
Effective from April 01, 2020, Dividends will be taxed in the hands of recipient, hence there will ne no liability in the hands of Company.

**Nature of reserves:**

**(a) Capital reserve**
This represents subsidies received from the government.

**(b) Securities premium**
Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the section 52 of the Act.

**(c) General reserve**
This represents appropriation of profit by the company. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

**(d) Retained earnings**
Retained earnings comprises of undistributed earnings after taxes.

**(e) Other items of other comprehensive income**
Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

**(f) Money received against share warrants**
This represents the moneys received against the share warrants.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 15 | Non-current borrowings* (Secured, at amortised cost) | | |
| | Term loans from banks | 12,297 | 11,514 |
| | Total non-current borrowings | 12,297 | 11,514 |

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

Notes:

As at March 31, 2021

| Bank | Loan outstanding | Terms of repayment | Rate of interest |
|---|---|---|---|
| HDFC Bank Limited (Refer Note 1 below) | 2,293 | 8 quarterly instalments | 6.50% |
| Axis Bank Limited (Refer Note 2 below) | 991 | 34 monthly instalments | 8.00% |
| Axis Bank Limited (Refer Note 3 below) | 1,721 | 12 quarterly instalments | 8.00% |
| Axis Bank Limited (Refer Note 4 below) | 3,176 | 20 quarterly instalments | 8.00% |
| State Bank of India (Refer Note 5 below) | 2,359 | 16 quarterly instalments | 9.00% |
| State Bank of India (Refer Note 6 below) | 722 | 13 monthly instalments | 7.35% |
| Axis Bank Limited (Refer Note 7 below) | 1,701 | 48 monthly instalments | 6.50% |
| HDFC Bank Limited (Refer Note 8 below) | 3,000 | 48 monthly instalments | 6.50% |
| Vehicle loans from various banks (Refer Note 9 below) | 157 | 11 - 23 monthly instalments | 8.50% to 9.31% |
| Less: Current maturities of non-current borrowings | (3,663) | | |
| Total | 12,297 | | |

As at March 31, 2020

| Bank | Loan outstanding | Terms of repayment | Rate of interest |
|---|---|---|---|
| HDFC Bank Limited (Refer Note 1 below) | 3,918 | 12 quarterly instalments | 8.65% |
| Axis Bank Limited (Refer Note 2 below) | 1,533 | 37 monthly instalments | 9.20% |
| Axis Bank Limited (Refer Note 3 below) | 2,292 | 17 quarterly instalments | 9.20% |
| Yes Bank Limited (Refer Note 3 below) | 500 | 12 quarterly instalments | 10.40% |
| Axis Bank Limited (Refer Note 4 below) | 3,980 | 25 quarterly instalments | 9.20% |
| State Bank of India (Refer Note 5 below) | 3,290 | 25 quarterly instalments | 9.15% |
| Vehicle loans from various banks (Refer Note 9 below) | 370 | 5 - 53 monthly instalments | 7.35% to 9.31% |
| Less: Current maturities of non-current borrowings | (3,278) | | |
| Total | 11,514 | | |

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.

2. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the company both present and future excluding fixed assets pertaining to grinding unit at bayyavaram and plant and equipment of Waste heat recovery power plant at Mattampally , and by second charge on the current assets of the company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.

3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.

4. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.

5. Term loan is secured by exclusive charge on the assets of 5.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.

6. Term loan is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.

7. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.

8. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.

9. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current borrowings (Secured, amortised at cost) | | |
| Loans repayable on demand | | |
| Cash credit facilities | 9,708 | 10,765 |
| Total current borrowings | 9,708 | 10,765 |

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a.to 8.85% p.a (2019-20: 8.85% p.a. to 9.50% p.a.)

2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.70% p.a.to 8.40% p.a. (2019-20: 8.45% p.a.)

3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @7.80% p.a. to 8.40% p.a. (2019-20: 8.40% p.a. to 8.90% p.a.).

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| 16 | Other financial liabilities | | |
| | Non-current | | |
| | Security deposits received | 5,097 | 5,178 |
| | Guarantee obligation | 603 | 345 |
| | Deferred consideration payable (Refer Note 39) | - | 3,160 |
| | Total | 5,700 | 8,683 |
| | Current | | |
| | Current maturities of non-current borrowings | 3,863 | 3,276 |
| | Interest accrued but not due on borrowings | 68 | 190 |
| | Unclaimed dividends (Refer Note below) | 64 | 58 |
| | Payables on purchase of property, plant and equipment | 188 | 420 |
| | Deferred consideration payable (Refer Note 39) | - | 2,940 |
| | Total | 3,583 | 6,886 |
| | Total other financial liabilities | 9,283 | 15,569 |
| | Note: | | |
| | As at March 31, 2021 (March 31, 2020 Rs. Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due. | | |
| 17 | Provisions | | |
| | Gratuity (Refer Note 33) | 548 | 849 |
| | Compensated absences (Refer Note 33) | 318 | 302 |
| | Total provisions | 866 | 1,151 |
| | Non-current | | |
| | Gratuity | 265 | 617 |
| | Compensated absences | 225 | 226 |
| | Total | 490 | 843 |
| | Current | | |
| | Gratuity | 283 | 232 |
| | Compensated absences | 93 | 76 |
| | Total | 376 | 308 |
| 18 | Other liabilities | | |
| | Non-current | | |
| | Liability for land restoration | 179 | 179 |
| | Total | 179 | 179 |
| | Current | | |
| | Advance from customers | 4,108 | 2,161 |
| | Statutory remittances | 2,345 | 1,030 |
| | Advance from related party | 79 | - |
| | Advance from others | - | 11 |
| | Total | 6,529 | 3,202 |
| | Total other liabilities | 6,708 | 3,381 |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Note | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 19 | **Revenue from operations** | | |
| | Revenue from | | |
| | - Sale of cement (Refer Note 42) | 97,649 | 81,960 |
| | - Sale of power | 330 | 84 |
| | Other operating income | | |
| | - Income from trademark and staffing charges to subsidiary | 360 | 360 |
| | - Sale of scrap | 24 | 143 |
| | - Incentives received from government (Refer Note 40) | 1,714 | 1,072 |
| | - Sale of coal | - | 1,108 |
| | - Insurance claims | 41 | 22 |
| | - Others | 12 | 9 |
| | Total revenue from operations | 1,00,170 | 84,758 |
| 20 | Other income | | |
| | Interest income on financial assets measured at amortized cost | 1,707 | 1,447 |
| | Rent received from employees | 14 | 5 |
| | Profit on sale of property, plant and equipment | 50 | 38 |
| | Liabilities no longer required written back | 31 | 22 |
| | Net gain on foreign currency transactions and translation | 267 | - |
| | Net gain on fair value change in financial instruments | - | 125 |
| | Total other income | 2,069 | 1,637 |
| 21 | Cost of materials consumed | | |
| | Opening stock | 788 | 700 |
| | Add: Purchases | 15,436 | 16,071 |
| | Less: Closing stock | 1,014 | 788 |
| | Total cost of materials consumed | 15,250 | 15,983 |
| | Details of materials consumed: | | |
| | Limestone | 3,561 | 4,103 |
| | Laterite | 1,526 | 1,665 |
| | Iron ore sludge | 264 | 452 |
| | Gypsum | 1,038 | 1,153 |
| | Fly ash | 1,508 | 1,217 |
| | Clinker purchased | 351 | 92 |
| | Slag | 1,772 | 2,385 |
| | Others | 5,354 | 4,916 |
| | Total | 15,210 | 15,983 |
| 21a | Purchases of stock-in-trade | | |
| | Cement | 2,028 | 3,009 |
| | Others | - | 1,308 |
| | Total | 2,028 | 4,317 |
| 22b | Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| | Inventories at the beginning of the year: | | |
| | Finished goods | 918 | 901 |
| | Work-in-progress | 1,408 | 823 |
| | | 2,326 | 1,724 |
| | Inventories at the end of the year | | |
| | Finished goods | 908 | 918 |
| | Work-in-progress | 429 | 1,408 |
| | | 937 | 2,326 |
| | Net decrease/ (increase) | 1,389 | (602) |







For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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| Note | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 23 | **Employee benefit expenses** | | |
| | Salaries and wages, including bonus | 5,684 | 4,531 |
| | Contribution to provident and other funds (Refer Note 33) | 481 | 483 |
| | Staff welfare expenses | 439 | 556 |
| | **Total employee benefit expenses** | 6,604 | 5,570 |
| 24 | **Finance costs** | | |
| | Interest expense | 1,823 | 2,763 |
| | Less: Borrowing costs on qualifying assets capitalised | - | (173) |
| | Interest on deposits from dealers | 208 | 241 |
| | Interest on lease liability | 8 | 11 |
| | Other borrowing cost | 486 | 550 |
| | **Total finance cost** | 2,525 | 3,392 |
| 25 | **Depreciation and amortization expense** | | |
| | Depreciation of property, plant and equipment (Refer Note 2) | 5,501 | 5,394 |
| | Depreciation on right of use assets (Refer Note 4 and 36) | 118 | 112 |
| | Amortisation of intangible assets (Refer Note 3) | 1 | 1 |
| | **Total depreciation and amortization** | 5,620 | 5,507 |
| 26 | **Other expenses** | | |
| | Packing materials consumed | 3,649 | 3,215 |
| | Stores and spares consumed | 1,889 | 2,133 |
| | Repairs and maintenance | | |
| | - Plant & equipment | 1,058 | 1,072 |
| | - Buildings | 124 | 133 |
| | - Others | 786 | 708 |
| | Selling expenses | 2,255 | 2,514 |
| | Expected credit loss allowance | 12 | 215 |
| | Advances written off | - | 25 |
| | Rent | 91 | 99 |
| | Insurance | 134 | 93 |
| | Rates and taxes | 99 | 153 |
| | Expenditure on corporate social responsibility (Refer Note 38) | 130 | 81 |
| | Payment to auditors (Refer Note (i) below) | 47 | 38 |
| | Travelling and conveyance | 149 | 338 |
| | Security services | 153 | 149 |
| | Donations and contributions | 180 | 216 |
| | Legal and other professional charges | 341 | 342 |
| | Administrative expenses | 210 | 195 |
| | Printing and stationery | 34 | 31 |
| | Communication | 58 | 58 |
| | Net Loss on foreign currency transactions and translation | - | 201 |
| | Net loss on fair value change in financial instruments | 120 | - |
| | Directors sitting fees | 18 | 11 |
| | Miscellaneous expenses | 6 | 13 |
| | Captive consumption of cement | (18) | (79) |
| | **Total other expenses** | 11,525 | 11,954 |
| | **Note:** | | |
| | **(i) Payment to auditors (net of taxes) comprises:** | | |
| | For audit | 28 | 23 |
| | For limited reviews | 7 | 7 |
| | For other services | 12 | 7 |
| | Reimbursement of expenses | - | 1 |
| | **Total** | 47 | 38 |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Note | Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| 27 | Income tax expense | | |
| | (a) Income tax recognised in the statement of profit and loss | | |
| | Current tax: | | |
| | In respect of the current year | 6,610 | 950 |
| | | 6,610 | 950 |
| | Deferred tax | | |
| | In respect of current year origination and reversal of temporary differences | 1,433 | 1,150 |
| | MAT Credit | - | (800) |
| | | 1,433 | 300 |
| | Total tax expense | 8,043 | 1,250 |

(b) Reconciliation of effective tax rate:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit/ (loss) before tax (A) | 14,239 | 4,633 |
| Statutory tax rate in India (B) | 34.94% | 34.94% |
| Expected tax expense (C = A*B) | 8,469 | 1,619 |
| Permanent difference | | |
| Effect on income disallowed under Income Tax Act, 1961 | (481) | (958) |
| Effect on expense disallowed under Income Tax Act, 1961 | 79 | 118 |
| Effect on change in depreciation while filing income tax return | 11 | (188) |
| Others | (36) | 9 |
| Total | (426) | (869) |
| At the effective income tax rate | 8,043 | 1,250 |
| Total Tax expense | 8,043 | 1,250 |

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

| Particulars | Opening balance | (Recognised) / reversed through the statement of profit and loss | Recognised through other comprehensive income | MAT Credit utilised | Closing balance |
|---|---|---|---|---|---|
| Property, plant and equipment and intangible assets | 10,840 | 331 | - | - | 11,171 |
| Provision for employee benefits | (408) | 95 | 4 | - | (304) |
| Expected credit loss allowance | (248) | (4) | - | - | (247) |
| MAT credit entitlement | (4,714) | - | - | 2,372 | (2,342) |
| Others | (119) | 41 | - | - | (78) |
| Unabsorbed depreciation | (970) | 970 | - | - | - |
| Total Deferred tax liability (Net) | 4,391 | 1,433 | 4 | 2,372 | 8,200 |

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

| Particulars | Opening balance | (Recognised) / reversed through the statement of profit and loss | Recognised through other comprehensive income | MAT Credit utilised | Closing balance |
|---|---|---|---|---|---|
| Property, plant and equipment and intangible assets | 9,418 | 1,422 | - | - | 10,840 |
| Provision for employee benefits | (503) | (78) | (22) | - | (403) |
| Expected credit loss allowance | (168) | (75) | - | - | (248) |
| MAT credit entitlement | (5,864) | (850) | - | - | (6,714) |
| Others | (199) | 80 | - | - | (119) |
| Unabsorbed depreciation | (611) | (159) | - | - | (970) |
| Total Deferred tax liability (Net) | 4,113 | 340 | (22) | - | 4,391 |

(d) Current tax assets and liabilities

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income tax assets (Net of provision of ₹ 4,615 (2019-20: ₹ 4,879) | 274 | 308 |
| Income tax liabilities (Net of advance tax and TDS receivable for an amount of ₹ 3,807 (2019-20: ₹ 766) | (1,170) | (602) |
| Net income tax liabilities | (896) | (294) |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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

29. Contingent liabilities, corporate guarantees and capital commitments

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

i) Claims against the Company not acknowledged as debt:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Direct tax matters | 145 | 53 |
| Indirect tax matters | 794 | 794 |
| Others | 428 | 428 |

ii) The Finance Minister of Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts, the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,301 (As at March 31, 2020: ₹ 1,301) from July 2010 to March 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,290 was reversed, but under protest. The balance of ₹ 11 pertains to the penalty imposed by the department and disclosed in contingent liabilities under indirect taxes. As at March 31, 2021, the matter is pending before the central excise department and pending resolution. CENVAT credit has not been availed by the Company.

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

b) Corporate Guarantees given to subsidiary companies:

| Subsidiary | Guarantee against | Guarantee provided to | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| Sagar Cements (R) Limited | 1,500 Non-Convertible Debentures (₹ 10 lakhs each) | IDBI Trusteeship Services Limited | 15,000 | 15,000 |
| Sagar Cements (R) Limited | Credit facilities and term loans | Federal Bank Limited | 4,643 | 4,643 |
| Jajpur Cements Private Limited | Term loan from Axis Bank Limited | Axis Bank Limited | 20,000 | 20,000 |
| Satguru Cement Private Limited | Term loan from Indus Ind Bank Limited | Axis Trustee Services Limited | 31,000 | 27,500 |
| Total | | | 70,643 | 67,143 |

c) Capital Commitments:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 4,035 | 513 |

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year | 13 | 125 |
| The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 | - | - |

**31. Financial Instruments:**

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

**A. Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 15 and 16 offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

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

| Description | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Debt (Refer Note below) | 25,768 | 25,557 |
| Cash and cash equivalents and Other bank balances | 20,347 | 1,014 |
| Net debt | 5,421 | 24,543 |
| Total equity | 1,24,633 | 1,03,251 |
| Net debt to equity ratio | 0.043 | 0.238 |

Note: Debt is defined as current and non-current borrowings as described in Notes 15 and 16.

**B. Categories of financial instruments:**

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit and loss (FVTPL)** | | |
| Derivative Assets | 5 | 125 |
| **Measured at amortised cost** | | |
| (i) Investments | 62,128 | 47,726 |
| (ii) Loans | 2,500 | 1,500 |
| (iii) Trade receivables | 7,305 | 9,486 |
| (iv) Cash and cash equivalents | 19,433 | 171 |
| (v) Other bank balances | 914 | 843 |
| (vi) Other financial assets | 1,510 | 5,870 |
| **Total Financial assets** | **93,795** | **65,721** |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| (i) Borrowings | 25,768 | 25,557 |
| (ii) Trade payables | 17,504 | 16,854 |
| (iii) Lease liabilities | 61 | 136 |
| (iv) Other financial liabilities | 6,020 | 12,291 |
| **Total Financial liabilities** | **49,353** | **54,838** |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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

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

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

Interest rate risk management:

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's Profit for the year ended March 31, 2021 would decrease/increase by ₹ 129 (for the year ended March 31, 2020: decrease/increase by ₹ 128). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

Foreign currency exchange rate risk

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

| Currency | No. of contracts | Amount in foreign currency | Amount in ₹ | Buy/ Sell | Cross currency |
|---|---|---|---|---|---|
| USD | 3 | 19,56,800 | 1,442 | Buy | Rupees |

E. **Credit risk management:**

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company on behalf of its subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (Refer Note 29 b). The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F. **Liquidity risk management:**

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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Financing facilities:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured bills acceptance facility, reviewed annually | | |
| - amount used | 5,303 | 6,996 |
| - amount unused | 3,697 | 2,004 |
| **Total** | **9,000** | **9,000** |
| Secured bank overdraft facility reviewed annually and payable at call | | |
| - amount used | 9,708 | 10,765 |
| - amount unused | 3,492 | 2,435 |
| **Total** | **13,200** | **13,200** |
| Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement | | |
| - amount used | 16,060 | 14,792 |
| - amount unused | - | - |
| **Total** | **16,060** | **14,792** |

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

| Particulars | < 1 Year | 1 – 2 years | > 2 years |
|---|---|---|---|
| Trade Payables | 17,504 | - | - |
| Lease liabilities | 20 | 7 | 34 |
| Other financial liabilities | 320 | 666 | 5,034 |
| Borrowings (including current maturities of non-current borrowings) | 13,371 | 4,674 | 7,723 |

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

| Particulars | < 1 Year | 1 – 2 years | > 2 years |
|---|---|---|---|
| Trade Payables | 16,854 | - | - |
| Lease liabilities | 10 | 126 | - |
| Other financial liabilities | 3,608 | 3,674 | 5,009 |
| Borrowings (including current maturities of non-current borrowings) | 14,043 | 3,442 | 8,072 |

**32. Disclosure as per Regulation 34(3) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015**

The details of loans and advances to subsidiary are given below:

| Particulars | Balance as at | | Maximum amount outstanding during the year ended | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Sagar Cements (R) Limited | - | 6,314 | 6,486 | 7,420 |
| Jajpur Cements Private Limited | - | 1 | 1 | 733 |
| Satguru Cement Private Limited | 2,500 | 3 | 2,500 | 200 |

**33. Employee benefits:**

The employee benefit schemes are as under:

**(I) Defined contribution plan:**

**Provident Fund**
The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 252 (2019-20: ₹ 250).

**Superannuation Fund**
Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognized during the year aggregated ₹ 34 (2019-20: ₹ 37).

**Employee State Insurance**
The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognized during the year aggregated ₹ 2 (2019-20: ₹ 4).

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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(ii) Defined benefit plan:

Gratuity:

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

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

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Mortality table (LIC) | IALM 2012-14 (ultimate) | IALM 2012-14 (ultimate) |
| Discounting rate | 6.81% | 6.76% |
| Expected rate of return on plan asset | 7.36%/7.60% | 7.50%/7.65% |
| Expected average remaining working lives of employees | 15.08 years | 15.53 years |
| Rate of escalation in salary | 10% | 10% |
| Attrition rate | 10% | 10% |

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows: | | |
| Current service cost | 152 | 149 |
| Interest expense | 80 | 78 |
| Other adjustments | 5 | 2 |
| Expected return on plan assets | (42) | (33) |
| Defined benefit cost included in profit and loss | 195 | 196 |
| Re-measurement effects recognized in Other Comprehensive Income (OCI): | | |
| Actuarial (income)/ loss | (12) | 64 |
| Components of defined benefit costs recognized in OCI | (12) | 64 |

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Present value of funded defined benefit obligations | 1,377 | 1,310 |
| Fair value of plan assets | (829) | (461) |
| Net liability arising from defined benefit obligation | 548 | 849 |

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Defined benefit obligation at the beginning of the year | 1,310 | 1,070 |
| Current service cost | 152 | 149 |
| Interest cost | 80 | 78 |
| Re-measurements - Actuarial (income)/ loss | (12) | 64 |
| Benefits paid out of plan assets and by employer | (153) | (51) |
| Defined benefit obligation at the year end | 1,377 | 1,310 |

e) Maturity profile of defined benefit obligation:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Within 1 year | 283 | 232 |
| 1 - 2 years | 139 | 156 |
| 2 - 3 years | 156 | 151 |
| 3 - 4 years | 158 | 140 |
| 4 - 5 years | 109 | 139 |
| 5 - 10 years | 529 | 504 |

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For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening fair value of the plan assets | 461 | 443 |
| Expected return on plan assets | 42 | 33 |
| Contributions from the employer | 446 | 35 |
| Benefits paid out of plan assets | (115) | (50) |
| Re-measurement – Actuarial loss/ (gain) | - | - |
| Other adjustments | (5) | - |
| **Fair value of plan asset at the year end** | **829** | **461** |

g) Sensitivity Analysis:

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

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Effect of 1% change in assumed discount rate | 1,227 | 1,358 | 1,173 | 1,302 |
| Effect of 1% change in assumed salary rate | 1,356 | 1,225 | 1,298 | 1,173 |
| Effect of 1% change in assumed attrition rate | 1,279 | 1,299 | 1,225 | 1,244 |

The Company is expected to contribute ₹ 460 lakhs to its defined benefit plans during the next financial year.

Compensated absences:

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

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Discount Rate | 6.81% | 6.76% |
| Salary escalation rate | 10% | 10% |
| Attrition rate | 10% | 10% |
| Mortality tables | IALM 2012-14 (ultimate) | IALM 2012-14 (ultimate) |

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

34. The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segment applicable to the Company.

35. Related Party Disclosures:

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

| Name | Relationship |
|---|---|
| Sagar Cements (R) Limited | Wholly owned subsidiary Company |
| Jajpur Cements Private Limited | Wholly owned subsidiary Company |
| Satguru Cement Private Limited | Subsidiary Company |
| **Key managerial personnel (KMP):** | |
| Kolappa Thanu Pillai | Chairman of the Board of Directors |
| Onteddu Swaminatha Reddy | Chairman of the Board of Directors (Upto June 24, 2020) |
| Dr. S. Anand Reddy | Managing Director (MD) |
| S. Sreekanth Reddy | Joint Managing Director (JMD) |
| Onteddu Rekha | Director |
| N. Sudha Rani | Nominee Director |
| T. Nagesh Reddy | Nominee Director (Upto December 30, 2020) |
| Valliyur Hariharan Ramakrishnan | Director |
| Rachana Sammidi | Director |
| John Eric Fernand Pascal Cesar Bertrand | Director |
| K. Prasad | Chief Financial Officer (CFO) |
| R. Soundararajan | Company Secretary (CS) |
| **Relatives of KMP:** | |
| S. Vanajatha | Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy |
| S. Siddarth Reddy | Son of Dr. S. Anand Reddy |
| Panchavati Polyfibres Limited | Enterprise where KMP along with their relatives exercise significant influence |
| Sagar Power Limited | Enterprise where KMP along with their relatives exercise significant influence |
| RV Consulting Services Private Limited | Enterprise where KMP along with their relatives exercise significant influence |
| Sagarsoft (India) Limited | Enterprise where KMP along with their relatives exercise significant influence |
| AVH Resources India Private Limited | Enterprise where a director of Sagar Cements Limited is a director |

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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

| Nature of transaction | Party Name | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Purchase of packing materials | Panchavati Polyfibres Limited | 4,195 | 3,365 |
| Purchase of power | Sagar Cements (R) Limited | - | 1,083 |
| Purchase of scrap | Sagarsoft (India) Limited | 1 | - |
| Sale of scrap | Sagar Cements (R) Limited | 1 | 2 |
| Sale of coal | Sagar Cements (R) Limited | - | 947 |
| Sale of cement | Jajpur Cements Private Limited | 375 | - |
| Rent expenses paid | Dr. S. Anand Reddy | 32 | 32 |
| | S. Sreekanth Reddy | 32 | 32 |
| | S. Vanajatha | 32 | 32 |
| | **Total** | **96** | **96** |
| Services rendered | Sagar Cements (R) Limited | 360 | 360 |
| Services received | Sagarsoft (India) Limited | 35 | 28 |
| | RV Consulting Services Private Limited | - | 34 |
| | **Total** | **35** | **62** |
| Reimbursement of expenses received | Sagarsoft (India) Limited | 8 | 16 |
| | RV Consulting Services Private Limited | 8 | 7 |
| | Sagar Power Limited | 3 | 1 |
| | Sagar Cements (R) Limited | 4 | 2 |
| | Panchavati Polyfibres Limited | 6 | 2 |
| | Satguru Cement Private Limited | 11 | 3 |
| | Jajpur Cements Private Limited | 3 | 1 |
| | **Total** | **43** | **32** |
| Reimbursement of expenses paid | Panchavati Polyfibres Limited | 58 | - |
| Interest earned on loan, corporate guarantee and cumulative redeemable preference shares | Sagar Cements (R) Limited | 1,332 | 1,313 |
| Interest earned on corporate guarantee | Jajpur Cements Private Limited | 45 | 10 |
| | Satguru Cement Private Limited | 66 | - |
| | **Total** | **111** | **10** |
| Advances given | Sagar Cements (R) Limited | - | 3,477 |
| Loan given | Satguru Cement Private Limited | 2,500 | - |
| Payment received against loan given | Sagar Cements (R) Limited | 1,500 | 500 |
| Advance given | Jajpur Cements Private Limited | - | 20 |
| Payment received against advance given | Jajpur Cements Private Limited | - | 753 |
| Sale of property, plant and equipment | Satguru Cement Private Limited | 28 | 6 |
| Interest earned on loan | Satguru Cement Private Limited | 25 | - |
| Payment to salary | S. Siddarth | 2 | - |
| Received against warrant conversion | RV Consulting Services Private Limited | 2,190 | 6,023 |
| | AVH Resources India Private Limited | 4,243 | 4,243 |
| | **Total** | **6,433** | **10,266** |
| Dividend paid | S. Vanajatha | 64 | 25 |
| | RV Consulting Services Private Limited | 103 | - |
| | S. Siddarth | 53 | - |
| | Panchavati Polyfibres Limited | 2 | 1 |
| | AVH Resources India Private Limited | 334 | 90 |
| | **Total** | **556** | **116** |

Compensation to key managerial personnel is as follows:

| Nature of transaction | Party Name | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|
| Short-term benefits | MD, JMD, CS and CFO | 1,504 | 664 |
| Sitting fee | Chairman, MD, JMD, CS, CFO and Directors | 18 | 11 |
| Dividend paid | MD, JMD, CS, CFO and Directors | 242 | 134 |

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

SAGAR CEMENTS LIMITED

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Outstanding balances:

| Nature of the balance | Party Name | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Loan given | Sagar Cements (R) Limited | - | 1,500 |
| | Satguru Cement Private Limited | 2,500 | - |
| | Total | 2,500 | 1,500 |
| Advances given | Sagar Cements (R) Limited | - | 4,814 |
| | Sagar Power Limited | - | 1 |
| | RV Consulting Services Private Limited | - | 6 |
| | Jajpur Cements Private Limited | - | 1 |
| | Satguru Cement Private Limited | - | 3 |
| | Total | - | 4,825 |
| Advances received | Sagar Cements (R) Limited | 79 | - |
| Interest accrued but not due | Sagar Cements (R) Limited | - | 4,293 |
| | Satguru Cement Private Limited | 23 | - |
| | Total | 23 | 4,293 |
| Trade payables | Panchavati Polyfibres Limited | 589 | 327 |
| Trade Receivable | Jajpur Cements Private Limited | 13 | - |
| Corporate guarantee (Refer Note 29) | Sagar Cements (R) Limited | 19,643 | 19,643 |
| | Jajpur Cements Private Limited | 20,000 | 20,000 |
| | Satguru Cement Private Limited | 31,000 | 27,500 |
| | Total | 70,643 | 67,143 |
| 8% Cumulative redeemable preference shares | Sagar Cements (R) Limited | 11,181 | 10,029 |
| Outstanding warrants | RV Consulting Services Private Limited (Nil (2019-20: 4.00) lakh warrants) | - | 2,190 |
| | AVH Resources India Private Limited (Nil (2019-20: 7.75) lakh warrants) | - | 4,243 |
| | Total | - | 6,433 |

**36. Operating Lease**

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

**Operating lease commitments**

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

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

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

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

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

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 242 and a lease liability of ₹ 242 .

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening Balance | 130 | - |
| Recognition on adoption of Ind AS 116 | - | 242 |
| Additions | 43 | - |
| Depreciation | (118) | (112) |
| Closing Balance | 55 | 130 |

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

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening Balance | 136 | - |
| Recognition on adoption of Ind AS 116 | - | 242 |
| Additions | 43 | - |
| Finance cost accrued during the year | 8 | 11 |
| Payment of lease liabilities | (126) | (117) |
| Closing Balance | 61 | 136 |

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Non-current lease liabilities | 41 | 126 |
| Current lease liabilities | 20 | 10 |
| Total | 61 | 136 |

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Within one year | 20 | 10 |
| After one year but not more than five years | 25 | 126 |
| More than five years | 16 | - |

37. Earnings per share

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit after tax (₹ in lakhs) | 16,196 | 3,473 |
| Weighted average number of equity shares outstanding (Refer Note below) | 23,130,822 | 21,471,653 |
| Earnings per share: | | |
| Basic and Diluted (in ₹) | 70.02 | 16.17 |

Note: The convertible share warrants allotted by the Company are anti-dilutive in nature for the previous financial year. There are no more outstanding warrants requiring further conversion into equity shares as on March 31, 2021.

38. Corporate Social Responsibility (CSR) activities

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company and the amount required to be spent by the Company for the year is ₹ 106 (2019-20: ₹ 91) i.e., 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, adoption of schools, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

| CSR Activities | In Cash | Yet to be paid in cash | Total |
|---|---|---|---|
| (i) Construction/ acquisition of any asset | - | - | - |
| | (-) | (-) | (-) |
| (ii) On purposes other than (i) above | 130 | - | 130 |
| | (81) | (-) | (81) |

Amounts in the brackets indicate the previous year numbers.

39. During the year ended March 31, 2019, the Company made a preferential allotment of 31,00,000 convertible warrants of ₹ 730 each to promoter and non-promoter entities on January 24, 2019 and received 25% of the consideration of ₹ 5,658 upon allotment of such warrants. The objective of raising funds through preferential allotment was to invest in Satguru Cement Private Limited (SCPL) and Jajpur Cements Private Limited (JCPL) for setting up a green field integrated cement plant of 1 million MT per annum capacity along with a provision for Waste Heat Recovery power plant at Indore and for setting up of a cement grinding plant of 1.5 million MT per annum at Odisha respectively and for other general corporate purposes.

During the year ended March 31, 2021, the warrant holders opted to convert 12,25,000 (March 31, 2020: 18,75,000) warrants to equal number of equity shares and basis of this 75% of the consideration against warrants as converted of ₹ 6,706 (March 31, 2020: ₹ 10,266) was received. The entire amount was utilized for the purposes for which funds were raised. With the said conversion, there are no more outstanding

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS LIMITED

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warrants requiring further conversion into equity shares (March 31, 2020: 12,25,000 warrants outstanding, consideration of ₹ 2,236 received against the outstanding warrants pending conversion to equity shares are disclosed under Money received against share warrants under 'Other Equity').

The Company acquired 100% equity stake in JCPL on May 02, 2019 for a consideration of ₹ 450 and subsequently infused ₹ 3,450 as additional equity into JCPL.

During the year ended March 31, 2020, the Company also invested an amount of ₹ 15,000 in SCPL on May 08, 2019, for acquiring 28,97,143 equity shares (face value of ₹ 10 each at a premium of ₹ 507.75) allotted to the Company on preferential basis, which constitutes 65% equity stake in SCPL. Of the said investment, the Company has disbursed ₹ 8,900 and the balance amount of ₹ 6,100 has been disbursed in the year ended March 31, 2021. Further, the Company has infused an amount of ₹ 4,325 as additional equity into JCPL in the year ended March 31, 2021.

40. The Company is eligible for reimbursement of sales tax against sales made in the state of Andhra Pradesh and reimbursement of power consumption charges, in respect of expansion of grinding unit at Bayyavaram Unit during the financial year 2018-19. Such reimbursements are in the nature of government grants and recognized income aggregating ₹ 1,714 (2019-20: ₹ 1,072) under 'Other operating income'. There are no unfulfilled conditions or contingencies attached to these incentives.

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

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Revenue as per Contract price | 1,15,550 | 94,799 |
| Less: Discounts and incentives | (17,901) | (12,839) |
| Revenue as per statement of profit and loss | 97,649 | 81,960 |

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

42. The Company has been allotted with 1,21,50,000 equity shares of Rs.10/- each at a premium of Rs 60/ per share from Sagar Cements (R) Limited, wholly owned subsidiary Company. The above shares were allotted against the interest accrued receivable on unsecured loan and advances receivable of an amount of ₹ 3,614 and ₹ 4,814 respectively and balance share issue amount of ₹ 77 paid in cash.

43. The Board of Directors of the Company in their meeting held on May 12, 2021 have recommended for approval of the shareholders a dividend at ₹ 6.50 per equity share of ₹ 10 each (65%) on the 2,35,00,000 equity shares of the Company, which includes two interim dividends aggregating to ₹ 4 per equity share (40%), already paid during the financial year 2020-21. Proposed dividend of ₹ 2.50 per equity share is not recognised as a liability as at March 31, 2021.

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

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

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

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director

S. Sreekanth Reddy
Joint Managing Director

R. Soundararajan
Company Secretary

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2021

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Annexure - 5

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# SAGAR CEMENTS (R) LIMITED

(A wholly owned subsidiary of SAGAR CEMENTS LIMITED)

**Certified copy of the resolutions passed by the Board of Directors of Sagar Cements (R) Limited at their meeting held on 26th April, 2021 at the Registered Office of the Company at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033**

RESOLVED THAT pursuant to Section 230 - 232 of the Companies Act, 2013 and Rules made there under including any amendment or re-enactment thereof and other applicable statutory regulations, the draft Scheme of Amalgamation of M/s. Sagar Cements (R) Limited (Transferor Company) with M/s. Sagar Cements Limited and their respective Shareholders in accordance with the Memorandum and Articles of Association of the Company and the other applicable laws, rules, regulations and by-laws as the case may be, and subject to the requisite approval of the shareholders / creditors of the Company, as may be directed by Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad (NCLT) and sanction of Regional Director, Ministry of Corporate Affairs, and the sanction of NCLT and any other necessary approvals as may be required in this regard, the consent of the Board be and is hereby accorded and the said Scheme be approved with effect from 30.03.2021, being the appointed date.

RESOLVED FURTHER to engage the service of M/s. V S Raju & Associates, Advocates and solicitors for filing the Merger and similar application/documents for and on behalf of the Board of Directors/Company before the appropriate authorities and to act as authorised person in connection with the said scheme of amalgamation/merger.

RESOLVED FURTHER THAT without affecting the generality of the authorities given and in addition to the authorities given by the Board to the Company's Directors / Officers / authorised person(s), any Director or Company Secretary of the company be and are hereby severally authorised to exercise all powers and discharge all functions which the Board is authorised for the purpose of implementing the Scheme, including the following:

a) to sign, file, submit or present the draft Scheme and related applications, supplementary applications, documents, replies in connection with the proposed Amalgamation with the National Company Law Tribunal (NCLT), Registrar of Companies (ROC) , Regional Director (RD), Official Liquidator (OL) or such other regulatory or statutory or Government authorities, as may be required in terms of the applicable laws for obtaining approval of the Scheme;

b) to make any alterations / changes in the scheme upon the recommendations / suggestions/ instructions of any of the Authority(ies) including but not limited to the NCLT / Regional Director (RD) / Registrar of Companies (ROC) / Official Liquidator (OL) as may be expedient or necessary which does not materially change the substance of the scheme;

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

SAGAR CEMENTS (R) LIMITED HYD

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

c) to sign, file, submit or present the Scheme and related applications, petitions, supplementary applications/ petitions, summons, deeds, documents, instruments, rejoinders, replies and to swear affidavits or execute bonds for the proposed Amalgamation, appear (in person or through a representative) at the offices of the relevant NCLT, ROC, RD, OL or before any other authority or person in connection with the proposed Amalgamation and to do any other act, deed or thing which may be ancillary or incidental to the proposed Amalgamation or which may otherwise be required for giving effect to any of the provisions contained in the Scheme;

d) to make, prepare, review, amend, execute, swear, declare and register all declarations, affidavits, applications, filings, letters, undertakings, papers and writings as may be required, necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and / or State Government(s) and / or any other authorities, including but not limited to Municipal/ local authorities, ROC, Sub-Registrar of Assurances, telephone authorities, electricity authorities, postal authorities, and such other applicable authorities or agencies, etc., and to represent the Company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above;

e) to take all steps for obtaining approvals and/or consents of the shareholders/ creditors of the Company, banks, financial institutions and other authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf;

f) to consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. which may be sent/required to be sent to the concerned authorities on behalf of the Company;

g) to incur such expenses as may be necessary with regard to the above including payment of fees to solicitors, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;

h) to appoint one or more attorney(s)/ representatives and delegate to them any or all of the powers or functions entrusted to them under this resolution, as well as to revoke, remove such persons and to appoint any other person(s) from time to time to act on their behalf; and

i) to do all such other acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the above or to other wise give effect to the Scheme and matters related thereto.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

SAGAR CEMENTS (R) LIMITED HYD

j) to settle any question or difficulty that may arise with regard to the interpretation or implementation of the above scheme or to review the position relating to the satisfaction of the various conditions of the scheme and if necessary, to waive any of those (to the extent permissible under law);

k) to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage in case any change and / or modification are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, NCLT, ROC, RD, OL and / or any other authority, are in its view not acceptable to the Company, and / or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto;

**RESOLVED FURTHER THAT** the Common Seal of the Company be affixed on the agreements, and any other documents, if required, as provided in the Articles of Association of the Company with any one of the Directors and Company Secretary, who shall sign the same in token thereof.

**RESOLVED FURTHER THAT** the copy of this resolution and Scheme of Amalgamation certified to be true by any one of the Directors, or Company Secretary of the Company be furnished to all concerned as may be necessary.

// Certified True Copy //

For Sagar Cements (R) Limited

SAGAR CEMENTS (R) LIMITED HYD

R.Soundararajan
Company Secretary
M.No.F4182

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Annexure - 6

# SAGAR CEMENTS LIMITED

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**Certified copy of the resolutions passed by the Board of Directors of Sagar Cements Limited at their meeting held on 26th April, 2021 at the Registered Office of the Company at Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033**

---

RESOLVED THAT pursuant to Section 230 - 232 of the Companies Act, 2013 and Rules made there under including any amendment or re-enactment thereof and other applicable statutory regulations including Listing Regulations, the draft Scheme of Amalgamation of M/s. Sagar Cements (R) Limited (Transferor Company) with M/s. Sagar Cements Limited and their respective Shareholders in accordance with the Memorandum and Articles of Association of the Company and the other applicable laws, rules, regulations and by-laws as the case may be, and subject to the requisite approval of the shareholders / creditors of the Company, as may be directed by Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad (NCLT) and sanction of Regional Director, Ministry of Corporate Affairs, and the sanction of NCLT and any other necessary approvals as may be required in this regard, the consent of the Board be and is hereby accorded and the said Scheme be approved with effect from **30.03.2021**, being the appointed date.

RESOLVED FURTHER to engage the service of M/s. V S Raju & Associates, Advocates and solicitors for filing the Merger and similar application/documents for and on behalf of the Board of Directors/Company before the appropriate authorities and to act as authorised person in connection with the said scheme of amalgamation/merger.

RESOLVED FURTHER THAT without affecting the generality of the authorities given and in addition to the authorities given by the Board to the Company's Directors / Officers / authorised person(s), any Director or Company Secretary of the company be and are hereby severally authorised to exercise all powers and discharge all functions for the purpose of implementing the Scheme, including the following:

a) to sign, file, submit or present the draft Scheme and related applications, supplementary applications, documents, replies in connection with the proposed Amalgamation with the National Company Law Tribunal (NCLT), Registrar of Companies (ROC) , Regional Director (RD), Official Liquidator (OL) or such other regulatory or statutory or Government authorities, as may be required in terms of the applicable laws for obtaining approval of the Scheme;

b) to make any alterations / changes in the scheme to make it fully compliant with statutory requirements or upon the recommendations / suggestions/ instructions of any of the Authority(ies) including but not limited to the NCLT / Regional Director (RD) / Registrar of Companies (ROC) / Official Liquidator (OL) as may be expedient or necessary which does not materially change the substance of the scheme;

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

Registered Office : Plot No. 111, Road No.10, Jubilee Hills, Hyderabad - 500033, Telangana, India.
Phone : +91-40-23351571, 23356572 Fax : +91-40-23356573 E-mail : info@sagarcements.in Website : www.sagarcements.in
Factories : Mattampally, Via Huzurnagar, Suryapet-District, Telangana - 508204. Phone : 08683 - 247039
Bayyavaram Village, Kasimkota Mandal, Visakhapatnam District, Andhra Pradesh - 531031. Phone : 08924-244550 Fax : 08924-244570
CIN : L26942TG1981PLC002897 GSTIN : 36AACCS8630H1ZZ

c) to sign, file, submit or present the Scheme and related applications, petitions, supplementary applications/ petitions, summons, deeds, documents, instruments, rejoinders, replies and to swear affidavits or execute bonds for the proposed Amalgamation, appear (in person or through a representative) at the offices of the relevant NCLT, ROC, RD, OL or before any other authority or person in connection with the proposed Amalgamation and to do any other act, deed or thing which may be ancillary or incidental to the proposed Amalgamation or which may otherwise be required for giving effect to any of the provisions contained in the Scheme;

d) to make, prepare, review, amend, execute, swear, declare and register all declarations, affidavits, applications, filings, letters, undertakings, papers and writings as may be required, necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and / or State Government(s) and / or any other authorities, including but not limited to Municipal/ local authorities, ROC, Sub- Registrar of Assurances, telephone authorities, electricity authorities, postal authorities, and such other applicable authorities or agencies, etc., and to represent the Company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above;

e) to take all steps for obtaining approvals and/or consents of the shareholders/ creditors of the Company, banks, financial institutions and other authorities or entities or agencies as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps as may be required from time to time in that behalf;

f) to consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. which may be sent/required to be sent to the concerned authorities on behalf of the Company;

g) to incur such expenses as may be necessary with regard to the above including payment of fees to solicitors, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;

h) to appoint one or more attorney(s)/ representatives and delegate to them any or all of the powers or functions entrusted to them under this resolution, as well as to revoke, remove such persons and to appoint any other person(s) from time to time to act on their behalf; and

i) to do all such other acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the above or to other wise give effect to the Scheme and matters related thereto.

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

j) to settle any question or difficulty that may arise with regard to the interpretation or implementation of the above scheme or to review the position relating to the satisfaction of the various conditions of the scheme and if necessary, to waive any of those (to the extent permissible under law);

k) to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage in case any change and / or modification are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, NCLT, ROC, RD, OL and / or any other authority, are in its view not acceptable to the Company, and / or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto;

**RESOLVED FURTHER THAT** the Common Seal of the Company be affixed on the agreements, and any other documents, if required, as provided in the Articles of Association of the Company with any one of the Directors and Company Secretary, who shall sign the same in token thereof.

**RESOLVED FURTHER THAT** the copy of this resolution and Scheme of Amalgamation certified to be true by any one of the Directors, or Company Secretary of the Company be furnished to all concerned as may be necessary.

/ Certified True Copy //

For Sagar Cements Limited

R.Soundararajan
Company Secretary
M.No.F4182

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Annexure -7

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# SCHEME OF AMALGAMATION

## OF

## SAGAR CEMENTS (R) LIMITED
## (TRANSFEROR COMPANY)

## WITH

## SAGAR CEMENTS LIMITED
## (TRANSFEREE COMPANY)

## AND

## THEIR RESPECTIVE SHAREHOLDERS
## UNDER SECTIONS 232 READ WITH 230 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

### 1. PREAMBLE

This Scheme of Amalgamation (hereinafter referred to as "Scheme") is presented under Sections 232read with Section 230and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof, if any] for the amalgamation of Sagar Cements (R) Limited ("Transferor Company") (hereinafter referred to as the "Transferor Company") with Sagar Cements Limited [hereinafter referred to as the "Transferee Company"].

The Transferor Company is a wholly owned subsidiary of the Transferee Company since the Transferee Company along with its nominees holds the entire paid up share capital of the Transferor Company.

### 2. RATIONALE FOR THE SCHEME

Currently, Transferor Company is engaged in the business of manufacturing of cements and generation of power at its manufacturing unit at Gudipadu village, Anantapur District, Andhra Pradesh and doing the same business activity of Transferee Company.



For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

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The Board of Directors of the Transferor Company and the Transferee Company envisages the following benefits pursuant to the Amalgamation of the Transferor Company with the Transferee Company:

The Merger of the Transferor Company with the transferee Company it would also have the following benefits:

2.1 Reduction in the cost of overheads and improvement in professional management.

2.2 Reduction in multiplicity of legal and regulatory compliances and simplification of group structure.

2.3 Enhance the scale of operations thereby providing significant impetus to the growth of the Companies, since they are engaged in line of business that could draw upon synergies between the Transferor Company and the Transferee Company.

2.4 Consolidation of Transferor Company with the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital and improved financial structure.

2.5 The benefit of consolidation of financial resources, managerial and technical expertise of the Transferor Company and the Transferee Company shall be available to the Transferee entity leading to the overall optimization of operational and administration costs.

2.6 The amalgamation will rationalize and optimize the group legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and also statutory compliances.

2.7 will achieve synergies in business activity, consolidation, focused attention, centralized administration, economy of operation, integrated business approach and greater efficiency.

In order to achieve the above objectives, the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings have approved the proposed Scheme of Amalgamation and have decided to make the requisite applications to the National Company Law Tribunal ('NCLT') under Section 230 and 232 of the Companies Act, 2013, for the sanction of this Scheme of Amalgamation of the Transferor Company with the Transferee Company. This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Section 210 of the Companies Act, 2013.

**PARTS OF THE SCHEME**

This Scheme of Amalgamation is divided into the following parts:



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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a) **PART I** - Deals with definitions, interpretation, date of the Scheme coming into effect, incorporation, share capital and main objects of the Transferor Company and the Transferee Company.

b) **PART II** - Deals with amalgamation of business of the Transferor Company with the Transferee Company, legal proceedings, conduct of business till the Effective Date, Consideration, Accounting Treatment in the books of the Transferee Company and other matters consequential and incidental thereto.

c) **PART III** - Deals with dissolution of the Transferor Company, application to the NCLT, general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and incidental thereto.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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## 3. DEFINITIONS

In this Scheme (as defined hereafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as mentioned herein below:

3.1 **"Act"** means the Companies Act, 2013 [as amended including any statutory modification(s) or re-enactment(s) or amendment(s) thereof] and Rules and Regulations made thereunder, for the time being in force, and which may relate or are applicable to the amalgamation;

3.2 **"Applicable Laws"** means any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, ruling, bye-law, listing regulations, approval of any competent authority, directive, notification, guideline, policy, clearance, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any competent authority having jurisdiction over the matter in question, whether in effect as of the date of this Scheme or at any time thereafter;

3.3 **"Appropriate Authority"** means and includes any Governmental, Statutory, Departmental or Public Body or Authority, including Registrar of Companies, Regional Director, Official Liquidator, Securities and Exchange Board of India, Stock Exchanges and National Company Law Tribunal or such other Sectoral Regulators or authorities as may be applicable;

3.4 **"Appointed Date"** for the purpose of this Scheme and the Income Tax Act,1961 (hereinafter referred to as "IT Act") means 30th March, 2021 or such other date as the NCLT may direct or approve under the relevant provisions of the Act;

3.5 **"Board of Directors"** or **"Board"** shall mean Board of Directors of the Transferor Company or Transferee Company, as the case may be or any committee thereof duly constituted or any other person duly authorised by the Board for the purpose of this Scheme;

3.6 **"Effective Date"** means the date on which certified copies of the orders of the NCLT are filed with RoC, Hyderabad, after the last of the approvals or events specified under Clause 26 of Part III of this Scheme are satisfied or fulfilled or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with this Scheme. References in this Scheme to "Upon this Scheme becoming effective" or "Coming into Effect of this Scheme" or "Upon this Scheme Coming into effect" or other like expressions shall mean Effective Date;

3.7 **"Encumbrance"** and its co-related words **"Encumbered"** means (a) any mortgage, pledge, lien, charge (whether fixed or floating), hypothecation, assignment, deed of trust, title retention, right of set-off or counterclaim, security interest, security letter conferring any priority of payment in respect of, any obligation of any Person; (b) purchase or option



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For SAGAR CEMENTS LIMITED

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S. SREEKANTH REDDY
DIRECTOR.

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

agreement or arrangement, right of first refusal, right of first offer, restriction on voting; (c) subordination agreement or arrangement; (d) agreements to create or effect any of the foregoing; (e) interest, option, or transfer restriction in favour of any Person; (f) any adverse claim as to title, possession or use and (g) any encroachment on immovable properties;

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3.8 "Financial Statements" means the annual accounts (including balance sheet, cash flow statement and profit and loss account) of the Transferor Company and/or Transferee Company;

3.9 "GST Regulations" means applicable provisions of the Central Goods and Services Tax Act, 2017 and/or the Integrated Goods and Services Tax Act, 2017 and/or respective State Goods and Services Tax Act and/or the Union Territory Goods and Services Tax Act, 2017 along with the applicable rules made thereunder;

3.10 "INR" means Indian Rupees;

3.11 "IT Act" means the Income-Tax Act, 1961 or any statutory modification or re-enactment thereof and the rules made thereunder;

3.12 "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, re-enactment or amendment thereof to the extent in force;

3.13 "NCLT" means the National Company Law Tribunal, Hyderabad Bench at Hyderabad;

3.14 "Proceedings" shall have the meaning ascribed under the scheme;

3.15 "RoC" means the Registrar of Companies, Telangana at Hyderabad, having jurisdiction over the State of Telangana, India;

3.16 "Scheme" or "this Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation in its present form approved by the Board of each of the Transferor Company and the Transferee Company as submitted to the NCLT with any modification(s) made under Clause 21 of this Scheme or with such other modifications or amendments as the NCLT may direct, as may be approved for sanction by the NCLT;

3.17 "Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited collectively;

3.18 "Transferee Company" means "Sagar Cement Limited" and has the meaning ascribed to it under Clause 6.2 of this Scheme;

3.19 "Transferor Company" means Sagar Cements (R) Limited and has the meaning ascribed to it under Clause 6.1 of this Scheme;



For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED
S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED
Dr. S. ANAND REDDY
MANAGING DIRECTOR

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3.20 "Transition Period" means period starting from the date immediately after the Appointed Date till the last of the date on which all the conditions stipulated in Clause 26 of this Scheme are fulfilled;

3.21 "Undertaking of Transferor Company" shall mean all the undertaking(s) and entire business(s) of the Transferor Company as a going concern, including, without limitation:

(a) all the assets and properties, both movable and immovable, and amounts receivable or belonging to the Transferor Company as on the Appointed Date;

(b) all the present employees engaged by the Transferor Company, as on the Effective Date;

(c) all debts, liabilities (including contingent liabilities, present and /or future), duties and obligations of the Transferor Company as on the Appointed Date; and includes all reserves, movable and immovable properties (real and personal, tangible or intangible, freehold or leasehold, corporeal and in-corporeal, in possession, or in reversion, present and contingent of whatsoever nature, wherever situated) and assets without being limited to all its lands, roads, buildings, plant and machinery, office equipment, accessories, vehicles, electrical installations, cash in hand, amounts held with the lenders/banks to the credit of the Transferor Company and all other assets of the Transferor Company, including all investments whether in securities, shares, stocks, scrips, debentures or otherwise, deposits, earnest monies/ security deposits or entitlements in connection with or relating to this business undertaking, as per records of the Transferor Company, claims, powers, authorities, allotments, all statutory licenses, approvals (including the approvals granted by any regulatory authority under any of the Laws, consents, registration, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, leasehold rights, tenancy rights, other intangibles, industrial and other licenses, permits, authorizations, quota rights, trademarks, patents and other industrial and intellectual property rights, all other rights (including but not limited to right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), import quotas, sundry debtors, inventories, bills of exchange, deposits, loans and advances, agencies of the Transferor Company, rights and benefits of and under all agreements, contracts and arrangement, memoranda of understanding, expressions of interest whether under agreement or otherwise and all other interests in connection with or relating to the Transferor Company and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approval of whatsoever nature including but not limited to benefits of all tax reliefs, deductions, exemptions, including, under the IT Act or any other applicable taxation law, including credit for advance tax (including foreign tax credit, TDS credit, minimum alternative tax credit), taxes deducted and deposited at source, including carried forward losses of all



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MANAGING DIRECTOR

types under the IT Act including unabsorbed depreciation as per books/MAT computation, CENVAT Credit/VAT/sales tax credits/credit under the GST regulations, service tax credits, deductions for contribution towards provident fund, gratuity fund, superannuation fund and any other special employee related funds, bonus and other incentives paid to employees, sales tax set off, deduction for any tax, duty, cess or fee paid, whether or not allowable as a deduction under section 43B or 40(a) of the IT Act, all necessary records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to the Transferor Company, whether in physical or electronic form.

**4. INTERPRETATION OF THE SCHEME**

In this Scheme, unless the context otherwise requires:-

4.1 References to persons shall include individuals, bodies corporate (wherever incorporated), and unincorporated associations and partnerships.

4.2 The headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme

4.3 Words in the singular shall include the plural and vice versa.

4.4 The provisions of this Scheme have been drawn up to comply with the conditions relating to amalgamation. If any terms or provisions of this Scheme are found or interpreted to be inconsistent with the provisions of the amalgamation in terms of Section 2(1B) of the IT Act at a later date or defeats the objects of the amalgamation contemplated herein, including resulting from an amendment of Applicable Laws or for any other reason whatsoever, the provisions of the amalgamation under the IT Act shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the provisions of the amalgamation under the IT Act and the objects sought to be achieved by this Scheme. Such modifications will however, not affect the other parts of this Scheme.

4.5 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.

**5. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective and operative from the Appointed Date.



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

## 6. DESCRIPTION OF COMPANIES

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### 6.1 Transferor Company or Sagar Cements (R) Limited:

6.1.1 **Sagar Cements (R) Limited** a Public Limited Company, bearing CIN: U26942KA2007PLC043746 was originally incorporated on 30th August, 2007 under the name and style of M/s BMM Cements Limited in the State of Karnataka. Later on, the Company had changed its name to Sagar Cements (R) Limited after passing necessary resolutions and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka, on 28th day of March, 2017. Later on the Company had changed its registered office from the State of Karnataka to State of Telangana by virtue of passing a special resolution on 27.03.2019 and after obtaining necessary approval from the Regional Director, South East Region, Hyderabad dated 21st June, 2019. The Registrar of Companies, Telangana at Hyderabad, issued a fresh certificate of incorporation on 24.07.2019 under the CIN: U40300TG2007PLC134320.The 'Transferor Company' has its registered office presently at Plot No.111, Road No.10, Jubilee Hills, Hyderabad – 500033,Telangana, India. The 'Transferor Company 'is engaged in the business of manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc.,

6.1.2 The details of the share capital of the 'Transferor Company' is given below:

**Share Capital as on 31st March, 2020**

| Particulars | Amount in INR |
|---|---|
| **Authorised Share Capital** | |
| 10,70,00,000 Equity Share of INR 10each | 107,00,00,000 |
| 4,30,00,000 Preference Shares of INR 10 each | 43,00,00,000 |
| **Total** | 150,00,00,000 |
| **Issued, subscribed and fully paid up shares** | |
| 10,38,12,925 Equity Share of INR 10each | 103,8129,250 |
| 4,30,00,000 Preference Shares of INR 10 each | 43,00,00,000 |
| **Total** | 146,8129,250 |

Subsequent to 31st March, 2020, the Authorised share capital of the company has been increased from Rs.150,00,00,000/- divided into 10,70,00,000 (Ten Crores Seventy Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 4,30,00,000 (Four Crores Thirty Lakhs) Preference Shares of Rs.10/- (Rupees Ten Only) each to Rs.159,00,00,000/- divided into 11,60,00,000 Equity Shares of Rs.10/- each and 4,30,00,000 Preference Shares of Rs.10/- each. vide Special resolution dated 21.12.2020.



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

The company has issued and allotted 1,21,50,000 equity shares of Rs. 10/- each on Rights basis on 04.02.2021

6.1.3 The Main Objects of the 'Transferor Company' as provided in the Clause III of its Memorandum of Association is given below:

1. To carry on business as manufacturers, producers, processors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, stockist, agents, sub-agents, distributors or otherwise deal in all types and kinds of cements like ordinary, white, colors, Portland, Pozzolana Aluminum, blast furnace, Silica and all other varieties of cements, lime and limestone, clinker and/or by-products thereof, as also cement products of any or all descriptions, such as pipes, poles, slabs, bricks, asbestos, sheets, blocks, tiles, garden ware, plaster of Paris, limepipes, building materials and otherwise and articles, things compounds and preparations connected with the aforesaid products and in connection therewith to take on lease or otherwise acquire, erect, construct, establish, work, operate and maintain factories, quarries, mines and workshops.

2. To manufacture, sell, purchase, import, export or otherwise deal in all machinery used for the extraction of clay or other minerals, and all materials and components needed for the repair and maintenance of such machinery

3. To carry on business as manufacturers of bricks, tiles, paving slabs, pipes, pottery, earthenware, china and similar goods and to acquire the freehold or other interest in any land from which may be extracted clay or any other substance require for the said purposes.

4. To carry on business as manufacturers, producers, processors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, distributors or otherwise deal in chemical and chemical compounds in all forms that can be used in connection with cements and cement products.

5. To carry on the business of manufacturing, producing, casting, procuring, mastering, buying, selling, converting and in other ways dealing in all types of steels, steels castings, iron steels, alty, ingots, slabs, sheets, strips, rounds, bars, flats, sections and shapes, brass, copper, aluminum, stainless steels and other non ferrous metals, to distill refine or produce zinc, zinc oxide, zinc chloride.

6. To promote, own, run, install, takeover or set up power plant of any kind to generate, receive, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop and to undertake co-generation of electric power.

6.2 **Transferee Company**

6.2.1 **Sagar Cements Limited (Transferee Company)** a Public Limited Company, bearing CIN: L26942TG1981PLC002887 was incorporated on 15th January, 1981under the name and style of M/s Sagar Cements Limited in the then State of Andhra Pradesh (now the State



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

of Telangana by virtue of A.P. State Re-organisation Act, 2014). The 'Transferee Company' has its registered office presently at Plot No. 111, Road No.10, Jubilee Hills, Hyderabad – 500033, Telangana, India. The 'Transferee Company' is engaged in the business of manufacturing, producing, processing, and dealing in cement and their ancillaries etc.,

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6.2.2 The details of the share capital of the 'Transferee Company'is given below:-

**Share Capital as on 31st March, 2020**

| Particulars | Amount in INR |
|---|---|
| **Authorised Share Capital** 2,35,00,000 Equity Shares of INR 10each | 23,50,00,000 |
| **Total** | 23,50,00,000 |
| **Issued, subscribed and fully paid up shares** 2,22,75,000 Equity Shares of INR 10 each | 22,27,50,000 |
| **Total** | 22,27,50,000 |

Subsequent to 31st March, 2020, - the company has allotted 12,25,000 equity shares of Rs.10/-each on 10.07.2020 against conversion of 12,25,000 outstanding convertible warrants.

6.2.3 The Main Objects of the 'Transferee Company' as provided in the Clause 5 of its Memorandum of Association, are:

1. To produce, manufacture, refine, prepare, process, purchase, import, export, sell and generally to deal in all kinds of Cement, Cement products of any description, limestone, gypsum, kankar and/or byproducts thereof and in connection therewith to acquire, erect, construct, establish, operate and maintain cement factories, quarries, workshops and other work relating thereto.

2. To fabricate, manufacture and deal in all kinds of cement plant, apparatus, mining equipment, tools, utensils and materials and things necessary or convenient for carrying on the manufacture of cement and mining operations.

3. To own, explore, take on lease, or otherwise acquire any area, mining lease, quarries and to do all such other acts and deal in all such other things as may be conducive to and allied to the business of the company.

4. To carry on the business of buying and selling cement, bricks, limestone, sand or other earthy material or manufactured product such as tiles, pavement and roofing materials. To deal in lime, plaster, clay, coke, fuel, timber, artificial stone and builders requisites and appliances.

5. To acquire the quarries and mines of Granite and Marble and all kinds of other stones and quarry the same directly or through contractors and to act as dealers, distributors, merchants, exporters, importers, stockists and agents of raw finished, semi-finished granite and marble stones including polished or flamed tiles, panels and tomb stones.



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

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Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

6. To carry on the business as manufacturers, dealers, distributors, exporters, and importers, stockists, and agents of high-tech building materials like, mortars, glues, gouts, for installation of tiles, pavers, bricks, marbles, water proofing membranes, rapid hardening compounds, nonshrinkable compounds, anticorrosive compounds and plain and corrugated sheets used in building construction by importing technology, know-how by foreign collaboration or indigenously.

7. To carry on the business as manufacturers, dealers, distributors, exporters, and importers, stockists, and agents of all types of non-explosive demolishing agents used in mining, quarrys, and construction works and for demolition of concrete and civil works, by importing technology, know-how by foreign collaboration, or indigenously.

8. To promote, own, run, install, takeover, set up power plants of any kind as may be permitted by law and to generate, co-generate, transmit, buy and distribute electric power for captive consumption, accumulation, sale and re-sale.

For SAGAR CEMENTS (R) LIMITED

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S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

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MANAGING DIRECTOR

**PART – II**

**AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY**

**7. TRANSFER OF UNDERTAKING(S) OF THE TRANSFEROR COMPANY**

**7.1 General**

Upon this Scheme coming into effect and with effect from the Appointed Date defined in Clause 3..4 in Part I of the Scheme, the undertaking(s) of the Transferor Company shall, pursuant to the sanction of this Scheme by the NCLT and in accordance with section 2(1B) of the IT Act and Section 232 read with Section 230 and other applicable provisions, if any, of the Companies Act, 2013, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concerns without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.

**7.2 Transfer of Assets**

7.2.1 Without prejudice to the generality of Clause 7.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

(a) All assets and properties (more specifically described in Annexure A to this Scheme) comprised in the Undertaking(s) of the Transferor Company, of whatsoever nature and wheresoever situated, shall, under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act or deed be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Transferee Company provided that Board of Directors of the Transferee Company shall be entitled, at its discretion and as may be advised or considered fit, expedient or necessary, to determine the classification/ reclassification and treatment of any or all of the assets transferred to and vested in the Transferee Company pursuant to this Scheme.

(b) Without prejudice to the provisions of sub-clause (a) above in respect of such of the assets and properties of the Transferor Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of its Undertakings without requiring any deed or instrument or conveyance for the same.

(c) In respect of the movables other than those dealt with in sub-clause (b) above including sundry debtors, receivables, bills,



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
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For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

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credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be recovered, bank balances, investments, subsidy receivable, earnest money and deposits with any Government, quasi-government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may if it so deems appropriate, give notice in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that the said debt, loan, advance, balance or deposit stand transferred and vested in the Transferee Company).

(d) All the licenses, permits, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, customer registrations, customer approvals, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or deemed to be transferred to and vested in or be available to the Transferee Company so as to become as and from the Appointed Date, licenses, permits, quotas, approvals, permissions, registrations, incentives, sales tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, customer registrations, customer approvals, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

(e) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be the properties of the Transferee Company and shall under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be vested in and be deemed to have been vested in the Transferee Company upon the coming into effect of this Scheme.

7.2.2 Where the Transferor Company are entitled to any benefits under incentive schemes and policies and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies shall be transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, including sales tax concessions and incentives, shall be claimed by the



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Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Transferor Companies.

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**8. TRANSFER OF LIABILITIES**

8.1 Upon the Scheme coming into effect and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking(s) of the Transferor Company including all debts, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and however arising, raised or incurred or utilized for business activities and operations along with any charge, encumbrances, lien or security thereon (hereinafter referred to as "Liabilities") shall, pursuant to coming into effect of the Scheme and under the provisions of Section 232read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. Such liabilities shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as from the Appointed Date, the Liabilities of the Transferee Company, on the same terms and conditions as were applicable to the Transferor Companies. The Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this clause.

8.2 All debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Companies, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

8.3 Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged after the Appointed Date and prior to the Effective Date by the Transferor Company, such discharge shall be deemed to be for and on account of the Transferee Company.

8.4 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Section 232 read with Section 230 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to or vested in or deemed to



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have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

8.5 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company loans, advances and other obligations with effect from the Appointed Date.

8.6 The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further, or additional security therefore after the amalgamation has becoms effective or otherwise.

8.7 The Transferor Company shall ensure to comply with all the applicable laws and the officers in default of the Transferor Company shall not be absolved of their statutory liability prior to the amalgamation.

## 9. ENCUMBRANCES

9.1 The transfer and vesting of the assets comprised in the Undertaking(s) of the Transferor Company respectively to and in the Transferee Company under Clause 7.1 and Clause 8.1 of this Scheme shall be subject to the mortgage and charges, if any, affecting the same as hereinafter provided.

9.2 All the existing securities, charges, encumbrances or liens (hereinafter referred to as "Encumbrances"), if any, created by the Transferor Company after the Appointed Date, in terms of the Scheme, over the assets comprised in their respective Undertakings or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Companies, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. Provided however that while all existing charges on the assets against loans obtained, if any, by the Transferor Company would be transferred pursuant to this Scheme, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged or required to create any further or additional security therefore after the amalgamation has become effective or otherwise.

9.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of



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the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

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9.4 Any reference in any security documents or arrangements (to which Transferor Company are party) to the Transferor Company and in assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company as the case maybe and the Transferee Company may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

9.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of the Scheme.

9.6 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

9.7 The provisions of the Clause 7.2 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writing shall stand modified and/or superseded by the foregoing provisions.

9.8 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation in favour of the creditors of the Transferor Company or in favor of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Companies, required to be carried out or performed.

**10. TAXES**

10.1 On and from the Appointed Date, if any certificate for Tax Deducted at Source or any other tax credit certificate relating to any Transferor Company is received in the name of any Transferor Company it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.

10.2 All taxes (including, without limitation, income tax, excise duty, customs duty, service tax, taxes paid under Goods and Service Tax regulations or



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under any other law which may come into force) paid or payable by any Transferor Company from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, customs duty, service tax, VAT, taxes paid under GST regulations or under any other law which may come into force), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt accordingly. This is notwithstanding that challans or tax payment certificates are in the name of the Transferor Company and not in the name of the Transferee Company.

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10.3 Any tax liabilities under the IT Act, Customs Act, 1962, Central Excise Act, 1944, GST regulations or other applicable laws/regulations dealing with taxes/duties/levies allocable or related to the business of the Transferor Companies, to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, shall be transferred to the Transferee Company.

10.4 It is further provided that upon the Scheme coming into effect, all taxes payable by the Transferor Company and all or any refunds and claims, from the Appointed Date shall, for all purposes, be treated as the tax liabilities or refunds and claims, as the case may be of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferor Company and the Transferee Company are also expressly permitted to revise their Financial Statements, respective Income Tax Returns, TDS Returns, other tax/ statutory returns and to claim refunds, subsidy receivable, advance tax and withholding tax credits, benefits of credit for minimum alternative tax and carry forward of accumulated depreciation and losses as per books, if any, etc. pursuant to the provisions of this Scheme. In other words, all existing and future incentives, unavailed credits and exemptions, carried forward losses of all types under the IT Act including unabsorbed depreciation for the purpose of minimum alternative tax computation and other statutory benefits and credit for minimum alternative tax under the IT Act, excise (including Modvat/Cenvat), customs, taxes under GST regulation etc. to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company.

10.5 In accordance with the Cenvat Rules framed under the Central Excise Act, 1944, GST regulations as per prevalent on the Effective Date and any other indirect tax as may be prevalent on the effective date, the unutilized credits relating to the VAT, GST paid on inputs/work-in-progress/capital goods lying in the accounts of the Transferor Companies, service tax credits, GST credits and any other indirect tax credits shall be permitted to be transferred to the credit of the Transferee Company as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty, amount payable under GST regulation or any other tax liability as may be permissible under the respective laws.



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10.6 Upon the Scheme coming into effect, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax purposes and tax benefits), service tax law, GST regulations and other tax laws, and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the IT Act which includes but not limited to the amount disallowed in the hands of the Transferor Company under Section 43B or 40(a) of the IT Act for the financial years prior to the Appointed Date shall be eligible to be claimed by the Transferee Company on fulfillment of the conditions as laid down in Section 43B or 40(a) of the IT Act etc. and other tax laws and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

**11. EFFECT OF SCHEME**

The Scheme shall not have any adverse effect on any key managerial personnel, directors, promoters, non-promoter members, creditors or any employee, if any, of the Transferor Company or the Transferee Company. The Scheme shall also not have any effect on material interests of any of directors and key managerial personnel of Transferor Company or the Transferee Company. As stated above, any outstanding amounts payable by the Transferor Company shall stand transferred onto the Transferee Company and shall be payable by the Transferee Company. Further, the services of all transferred employees, if any, and managerial personnel of the Transferor Company to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities.

**12. INTER-SE TRANSACTIONS**

Without prejudice to the provisions of Clause 7 above, with effect from the Appointed Date, all inter-party transactions/arrangements between the Transferor Company as the case maybe and the Transferee Company shall be considered as intra-party transactions/arrangements for all purposes. For the removal of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, investments, obligation, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof or any other arrangements shall come to an end. Any tax payment whether by way of deduction at source, advance tax or otherwise howsoever, on such intercompany transaction(s)/payment(s) post the Appointed Date by either of the Transferor Company shall be deemed to be advance tax paid by the Transferee Company. There shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

**13. CONTRACTS, DEEDS, LICENSES ETC.**

13.1 Upon the Scheme coming into effect and subject to the provisions hereof, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company as the case maybe are a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or



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have effect immediately before the Appointed Date, shall continue in full force and effect on or against or in favour of, as the case may be, and be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been party or beneficiary or obligee thereto or thereunder.

13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangements to which the Transferor Company are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

13.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, rights, statutory licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of any of the Transferor Company shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Government Authorities as may be necessary in this behalf.

13.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses, leasehold rights, permissions or approvals or consents held by the Transferor Company and required to carry on operations or any business of the Transferor Company shall stand vested in or transferred to the Transferee Company, without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Statutory and regulatory permissions, licenses, registrations, leasehold rights, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme. Any no-objection certificates, licenses, permissions, consents, approvals, authorisations, registrations or statutory rights as are held by the Transferor Company shall, as far as practicable and permitted, be deemed to constitute licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights of the Transferee Company, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the merger, so as to facilitate the continuation of operations of the Transferor Company in the Transferee Company without



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any hindrance or let from the Appointed Date. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such documents or perform such actions to obtain aforesaid approvals or permissions.

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**14. LEGAL PROCEEDINGS**

On and from the Appointed Date, all suits, actions and legal proceedings (hereinafter referred to as 'Proceedings') by or against the Transferor Company arising on or before the Effective Date shall be continued and/or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company with any union/employee of the any Transferor Companies.

**15. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

15.1 With effect from the Appointed Date and up to and including the Effective Date:

(a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of their respective Undertaking(s) on account of, and for the benefit of and in trust for, the Transferee Company.

(b) All profits or incomes accruing or arising to the Transferor Companies, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profit and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrued as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

(c) All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company.

(d) All taxes (including income tax, excise duty, customs duty, GST etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of their respective businesses before the Appointed Date, shall be deemed to be on account of the Transferee Company and, in so far as it relates to tax payment (including, without limitation, excise duty, custom duty, income tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of their respective businesses after the Appointed Date, the same shall be deemed to be the corresponding amount paid by the Transferee Company and shall, in all proceedings be dealt accordingly.



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(e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Companies, for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to their Undertaking that has been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent of the Transferee Company.

15.2 With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date:

(a) The Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any financial commitments of any nature whatsoever, borrow any amounts nor incur any liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with their respective Undertakings or any part thereof save and except in each case in the following circumstances:

(i) If the same is in its ordinary course of business as carried on by it as on date of filing of this Scheme with the NCLT; or
(ii) if the same is permitted by this Scheme; or
(iii) if the same is with respect to any contracts/ agreement/ arrangements / obligation subsisting as on the date of filing of this Scheme with the NCLT; or
(iv) if consent of the Transferee Company has been obtained.

(b) Without the prior consent of the Transferee Company, the Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in ordinary course of the Transferor Companies' business); and (iii) such other matters as the Transferee Company may notify from time to time.

15.3 Without prejudice to the above, the Transferor Company from the date of filing this Scheme with the NCLT shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise), decrease, reduction, reclassification, subdivision or consolidation, reorganization, or in any other manner which may, in any way, affect the Share Exchange Ratio except under any of the following circumstances:

a) By mutual consent of the respective Board of Directors of the Transferor Company and the Transferee Company; or
b) By way of any obligation already subsisting as on the date of filing this Scheme with the NCLT.

15.4 The Transferee Company shall also be entitled, pending sanction of the Scheme, to apply to the NCLT, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for



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such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for the time being in force for carrying on business of the Transferor Companies.

**16. EMPLOYEES**

16.1 Upon coming into effect of this Scheme:

(a) The permanent employees, if any, of the Transferor Company who are in employment as on the Effective Date shall become the employees of the Transferee Company with effect from the Effective Date, i.e. from the appointed date, without any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Transferor Companies. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by any Transferor Company with any union/employee of the Transferor Companies.

(b) The existing provident fund, gratuity fund, pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned employees of the Transferor Company(collectively referred to as "Funds"), if any, and the investment made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees of the Transferor Companies. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companyor be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds into which the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

16.2 With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the written consent of the Transferee Company.

16.3 It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and/or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and/or other terminal benefits, and/or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor



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Company shall also be taken into account by the Transferee Company, who shall pay the same as and when payable. 250

**17. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and the vesting of the Undertaking[s] of the Transferor Company under Clause 7 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**18. OTHERS**

18.1 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and enforce all pending contracts and transactions and to issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

18.2 All cheques and other negotiable instruments, payment orders received in the name of Transferor Company after the Effective Date shall be accepted by the Bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company as pertaining to the Transferor Companies;

18.3 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorisations in relation to the Transferor Companies, shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT.

18.4 The Transferee Company will have the right to use all intellectual property rights including trademarks and brands, domain names, service marks, colour schemes, logo, records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers patents, copy rights, technical know-how, designs, design registrations, etc. relating to the Business of the Transferor Companies.

**19. CONSIDERATION**

19.1 The entire issued and paid-up equity and preference share capital of the Transferor Company is held by the Transferee Company and its nominees. Accordingly, the equity and preference shares held by the Transferee Company in the Transferor Company shall, on and from the end of the



For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

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Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Transition Period, be cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly, no shares of the Transferee Company shall be issued to the shareholders of the Transferor Company in lieu of the said amalgamation.

19.2 The shares of the Transferor Company, in relation to the shares held by its members, shall without any further application, act, instrument or deed be deemed to have been automatically cancelled and be of no effect on and from the end of the Transition Period.

**20. ACCOUNTING TREATMENT**

**20.1 Accounting Treatment in the books of Transferee Company**

Upon the Scheme coming into effect from the Appointed Date, the Transferee Company shall account for the merger of the Transferor Company with the Transferee Company in accordance with "the Pooling of Interest method" as per Appendix C of Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Act, relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India as follows:

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall account the transaction as per the applicable accounting principles prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. With effect from the appointed date, all the assets, liabilities and reserves if any of the Transferor Company vested in it pursuance to this scheme shall be recorded at their respective carrying amounts i.e. Book value and in the same form as appearing in the Consolidated Financial Statements of transferee company.

The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company.

Any inter-company balance(s) if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date".



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For SAGAR CEMENTS LIMITED

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20.2 **Accounting Treatment in the books of Transferor Companies**

As the Transferor Company shall stand dissolved without being wound up upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

**21. VALIDITY OF EXISTING RESOLUTIONS, ETC.,**

Upon the coming into effect of this Scheme, resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under similar resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

**22. CONSOLIDATION OF AUTHORISED CAPITAL**

22.1 Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed, by the Authorised share capital of the Transferor Company, amounting in aggregate to Rs. 182,50,00,000 /-Rupees One Hundred and Eighty Two Crores and Fifty Lakhs only) divided into 13,95,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 139,50,00,000/-(Rupees Hundred and Thirty Nine Crores and Fifty Lakhs Only) and 4,30,00,000 Preference Shares of Rs. 10/- each amounting to Rs.43,00,00,000/- (Rupees Fourty Three Crores only).

22.2 The memorandum and articles of association of the Transferee Company (relating to authorised share capital) shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purpose of effecting this amendment, and no further resolution(s) under any other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorised capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any other further payment of stamp duty and / or fee by the Transferee Company for increase in the authorised share capital to that extent. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

| Authorised Share Capital | (Amount in INR) |
|---|---|
| 13,95,00,000 Equity Shares of Rs. 10/- | 139,50,00,000 |
| 4,30,00,000 Preference Shares of Rs. 10/- each | 43,00,00,000 |



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Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
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| | |
|---|---|
| Total | 182,50,00,000 |

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22.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act.

22.4 Clause 5 of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

22.5 The Authorised Share Capital of the Company is Rs.182,50,00,000 (Rupees One Hundred and Eighty Two Crores and Fifty Lakhs only) divided into 13,95,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 139,50,00,000/-(Rupees One Hundred and Thirty Nine Crores and Fifty Lakhs Only) and 4,30,00,000 Preference Shares of Rs. 10/- each amounting to Rs.43,00,00,000/- (Rupees Fourty Three Crores only).

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PART – II

GENERAL TERMS AND CLAUSES

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**23. DISSOLUTION WITHOUT WINDING UP**

Upon this Scheme becoming effective, the Transferor Company shall, without any further, act, or deed, stand dissolved without going through the process of winding up upon such terms as the NCLT may direct or determine.

**24. APPLICATIONS TO THE NCLT**

24.1 The Transferor Company and the Transferee Company shall make all necessary joint applications/petitions to the NCLT under Sections 232 read with Section 230 and other applicable provisions of the Act, for seeking its approval of this Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of this Scheme.

24.2 On this Scheme being agreed by the requisite majority of members and creditors of the respective Transferor Company and the Transferee Company, the Transferor Company and the Transferee Company shall apply to the NCLT for sanction of this Scheme under Section 232 read with Section 230 of the Act and other applicable provisions of the Act, and for such other order, or orders, as the NCLT may deem fit for carrying this Scheme into effect.

24.3 Upon this Scheme becoming effective, the shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

24.4 It is hereby clarified that filing of the Scheme to the NCLT and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that the companies have or may have under or pursuant to all applicable laws.

24.5 The Transferor Company and the Transferee Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme, including making the required RoC filings.

24.6 The Transferee Company and the Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company and provide such intimations to the Appropriate Authority wherever required.

**25. MODIFICATIONS OR AMENDMENTS TO THIS SCHEME**

25.1 The Transferor Company and the Transferee Company, by their respective Boards, may make and consent to any modification(s) or amendment(s) to this Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be



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considered necessary, desirable or appropriate by them, provided that any such modification(s) or amendment(s) to this Scheme after the approval of this Scheme by the NCLT shall be subject to the prior approval of the NCLT. The Transferor Company and the Transferee Company by their respective Boards, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith.

25.2 For the purpose of giving effect to this Scheme or to any modification(s) or amendment(s) thereof or additions thereto, the directors of the Transferee Company may give and is hereby authorised to determine and give all such directions as are necessary, including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

**26. SCHEME CONDITIONAL ON APPROVALS AND SANCTIONS**

This Scheme is conditional upon and subject to:

Approval of this Scheme by the NCLT, whether with any modification or amendment as the NCLT may deem appropriate or otherwise; and

(a) The certified copies of the NCLT's orders sanctioning this Scheme being filed with the Registrar of Companies, Telangana at Hyderabad by the Transferor Company and the Transferee Company.

**27. EFFECT OF NON-RECEIPT OF APPROVALS**

27.1 In the event that this Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions specified in this Scheme are not obtained or complied with or this Scheme cannot be implemented for any other reason, this Scheme shall stand revoked and cancelled and shall have no effect, and each of the Transferor Company and the Transferee Company shall bear their own costs, charges and expenses in connection with this Scheme, unless otherwise mutually agreed.

27.2 In the event of non-receipt of approval of any lender or creditor for the transfer of any liability, then at the option of the Board of the Transferee Company, it may issue a security or recognize a liability in favour of the lender or the creditor, as the case may be, on the same terms.

27.3 The transfer of such asset or liability shall become effective from the Appointed Date as and when the requisite approvals are received or the liability or security abovementioned be recognized or issued and the provisions of this Scheme shall apply appropriately to the said transfer, recognition and issue.

**28. COSTS**

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or NCLT's order including this Scheme or in relation



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For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

to or in connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of scheme of Amalgamation in pursuance of this Scheme shall be borne and paid by the Transferee Company. The Transferee Company shall be eligible for deduction of expenditure incurred as per section 35DD of the IT Act.

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**29. MISCELLANEOUS**

29.1 After the transfer, the combined assets shall be sufficient to meet the combined liabilities of the Transferee Company and the said Scheme will not adversely affect the rights of any of the creditors of any of the Companies in any manner whatsoever and the assets of the amalgamated company (i.e. the Transferee Company) shall be sufficient for payment of all liabilities as and when the same fall due in usual course.

29.2 In the event of non-fulfillment of any or all obligations under the Scheme by any company towards the other company, inter-se or to third parties and non-performance of which will put the other company under any obligation, then such company will indemnify the other company in respect of all costs/interests, etc.

29.3 On the approval of the Scheme by the members of the Transferor Company pursuant to Section 232 read with Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under other provisions of the Act to the extent the same may be considered applicable for the purpose of this Scheme.

29.4 It is the intention of the parties that any Part of the Scheme, as may be mutually decided by the Board of each of the Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

For SAGAR CEMENTS (R) LIMITED

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Schedule A

(This Schedule forms an Integral Part of the Scheme of Amalgamation of Sagar Cements (R) Limited with Sagar Cements Limited.

Immovable properties of M/s. Sagar Cements (R) Limited. Enclosed Schedule A

| Regd. Sale Deed Document no.& Date | Survey No. | Extent of land in acres |
|---|---|---|
| | | |
| | | |
| Grand Total | | Acres___ Cents |

For SAGAR CEMENTS (R) LIMITED

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Dr. S. ANAND REDDY
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Schedule A

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## SAGAR CEMENTS (R) LIMITED

### DETAILS OF LAND

| S.No. | Regd. Sale Deed Document no.& Date | Sy.No's | Location | Extn of Land in Acres |
|---|---|---|---|---|
| 1 | 9042/2015 dt.24.08.2015 | 339, 400/A1, 400/A2, 400/C, 400/D, 400/E2, 400/F, 400/G2 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 37.87 |
| 2 | 9043/2015 dt.24.08.2015 | 221/A, 221/B, 221/C, 223/B,223/C, 223/D, 223/F, 223/1, 224/A2, 224/B1, 224/B2, 224/C1, 224/C2, 224/D | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 33.32 |
| 3 | 9044/2015 dt.24.08.2015 | 215/A, 215/B,216, 217/2, 217/3, 218/, 219/B, 220/A, 220/B, 213/A, 213/B,213/C | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 36.04 |
| 4 | 9045/2015 dt.24.08.2015 | 228/1, 228/2, 395/A, 396, 398, 401/A, 401/B, 401/C | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 35.82 |
| 5 | 9046/2015 dt.24.08.2015 | 90/G, 90/H, 90/K, 90/T, 90/U, 90/V, 91/A, 91/B, 91/C, 91/D, 91/E, 94,95 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 26.36 |
| 6 | 9047/2015 dt.24.08.2015 | 199/A1, 199/A2, 199/B, 199/C,199/D,199/D2,199/E1,199/E2,199/F,202/A,202/B | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 37.70 |
| 7 | 9048/2015 dt.24.08.2015 | 201/A1, 201/A2, 201/B, 203, 205, 206, 207, 208, 211/1, 211/2, 211/3, 212 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 38.19 |
| 8 | 9049/2015 dt.24.08.2015 | 226,227/1,227/2,234/A1,384/C,394/A, 394/C, 394/D | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 39.60 |
| 9 | 9050/2015 dt.24.08.2015 | 21/A, 21/B, 22/A, 22/B, 22/C, 22/D, 22/F, 22/G, 22/H, 23/A, 23/B, 24/A, 24/B, 24/C, 25,26 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 38.28 |
| 10 | 9051/2015 dt. 24.08.2015 | 85/A, 85/C, 86/A, 86/B, 86/C, 86/D,86/F, 86/G, 86/H,86/I,86/P,86/S,86/T,86/U,86/V,88/A,88/B,89/A | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 32.11 |
| 11 | 9052/2015 dt.24.08.2015 | 49/A,49/B,52/B,52/C,70/A,71/A,71/B,72,73/A,73/B,73/C,73/D,73/E,75/A,75/B,76 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 39.79 |
| 12 | 9053/2015 dt.24.08.2015 | 13/A,13/B,13/C,14/A,14/B,14/C,15/B,15/C,16/C,17,18/A,18/B,18/C,19,20 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 39.37 |
| 13 | 9054/2015 dt.24.08.2015 | 77,78/A,78/B,78/C,78/D,78/E,78/F,78/H,78/K,78/L,80/A,80/B,80/C,80/D,80/E,80/F | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 38.17 |
| 14 | 9064/2015 dt.24.08.2015 | 415/A,415/B,415/C,415/D,416,417,418 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 35.34 |
| 15 | 9065/2015 dt.24.08.2015 | 437/A,437/B,440/A,440/B1,441/A1,442/A,442/B,442/C,443 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 22.37 |
| 16 | 9066/2015 dt.24.08.2015 | 419,420,421,422,423,424,425,429,430/A,430/B,431/A,431/B,432 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 37.56 |
| 17 | 9067/2015 dt.24.08.2015 | 411,412,413/A,413/B,414/A,414/B,414/C. | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 32.53 |
| 18 | 9068/2015 dt.24.08.2015 | 402/A,402/B,402/C,402/D,404/A,404/B,404/C,404/D,404/E,404/F,404/G,405,406,407,409/A,409/B | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 34.05 |
| 19 | 9069/2015 dt.24.08.2015 | 433/A,433/B,433/C,433/D1,433/D2,434/A,434/B,435/A1,435/A2,435/B,435/C | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 25.14 |
| 20 | 7070/2015 dt.24.08.2015 | 183/1,183/2,183/3,184/4,190,191/1,195,193/B1,193/B2,194/2,197/A,197/B,198,200/A,200/B | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 37.71 |
| 21 | 9077/2015 dt.28.04.2015 | 27,28,30/A,30/B,30/C,31,32/B,33,34,35/A,35/B,36/A,36/B,37,38/B,47/A,47/B,47/C,47/D | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 37.09 |
| 22 | 9058/2015 dt.24.08.2015 | 69/A,69/B1,69/B2,69/C,70/B,78/I,86/L,86/N,90/P,90/Q,90/V,94,95,184,195,196/A,196/B,209 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 39.40 |
| 23 | 9071/2015 dt.24.08.2015 | 32/A,54,55,59/A,59/B,59/C,59/D,68/A | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 36.16 |
| 24 | 9072/2015 dt.24.08.2015 | 225,235/A,238,243/A1,245/D,369,390,393,400/B,405,418,440/A,440/B2,441/A2,442/B,442/C,439,426 | Gudipadu Village, Yadiki Madal, Anantapur district, Andhra Pradesh | 33.71 |

For SAGAR CEMENTS (R) LIMITED

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|---|---|---|---|---|
| 25 | 9957/2015 dt.24.08.2015 | 17,54,194/1,393,96/B,235/4,403/B2,408,41 4/B,434/4,435/A,437/B, | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 28.92 |
| 26 | 9955/2015 dt.24.08.2015 | 24/4,32,34,75/A,86/1390/A,90/M,90/1,99/1,9 0/B,98/3,98/3,99/P,1/A,91/B,95,211/1,211 /B,400/D,409/4,426 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 39.11 |
| 27 | 9956/2015 dt.24.08.2015 | 16,37,88/B,60/B2,151/2,292,193/B,293,196/ 4,196/B,439 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 25.12 |
| 28 | 10116/2015 | 389,434/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.00 |
| 29 | 2448/2007 dt.05.11.2007 | 241/C,244,234 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.80 |
| 30 | 2449/2007 dt.06.11.2007 | 186/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.72 |
| 31 | 2450/2007 dt.06.11.2007 | 234/A2,238/C2, 234/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.56 |
| 32 | 2451/2007 dt.07.11.2007 | 243/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.54 |
| 33 | 2452/2007 dt.07.11.2007 | 234/A2,234/C2, 234/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.56 |
| 34 | 2453/2007 dt.07.11.2007 | 404/K | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.06 |
| 35 | 2454/2007 dt.07.11.2007 | 387 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.17 |
| 36 | 2455/2007 dt.07.11.2007 | 241/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.67 |
| 37 | 2457/2007 dt.26.12.2007 | 244 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.50 |
| 38 | 2708/2007 dt.28.12.2007 | 199/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.70 |
| 39 | 2790/2007 dt.26.12.2007 | 419 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.01 |
| 40 | 2791/2007 dt.26.12.2007 | 204 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.25 |
| 41 | 2792/2007 dt.26.12.2007 | 60/B1,60/B2,55 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 12.08 |
| 42 | 2798/2007 dt.26.12.2007 | 360 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.25 |
| 43 | 524/2008 dt.21.03.2008 | 407 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.77 |
| 44 | 525/2008 dt.31.03.2008 | 403 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.98 |
| 45 | 526/2008 dt.31.03.2008 | 400/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.00 |
| 46 | 527/2008 dt.01.04.2008 | 369/C,L,F,M,N,R,D,E,G,O | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.50 |
| 47 | 528/2008 dt.01.04.2008 | 641/B2, 641/C,641/D,641/E,647/A,647/B,647/H,647/ I,647/J,647/K,647/L | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.98 |
| 48 | 529/2008 dt.01.04.2008 | 403 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.98 |
| 49 | 530/2008 dt.01.04.2008 | 641/B,641/B2,641/M,641/B,641/J,641/B,641/ L,641/A,641/B,641/C,641/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 6.60 |
| 50 | 531/2008 dt.01.04.2008 | 707 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.48 |
| 51 | 532/2008 dt.01.04.2008 | 707 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.68 |
| 52 | 533/2008 dt.01.04.2008 | 637,638 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.06 |

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| | | | | |
|---|---|---|---|---|
| 53 | 534/2008 dt.01.03.2008 | 605/D | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.13 |
| 54 | 535/2008 dt.01.03.2008 | 605/B,604/D,608/A,609/B,609/P | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.94 |
| 55 | 536/2008 dt.01.03.2008 | 605/A, 605/C, 608/P,606/D,605/A,605/B,605/C,605/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.49 |
| 56 | 619/2008 dt.13.03.2008 | 611 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.20 |
| 57 | 620/2008 dt.13.03.2008 | 611/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.29 |
| 58 | 621/2008 dt.13.03.2008 | 634 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.63 |
| 59 | 416/2008 dt.12.03.2008 | 493/B,493/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.03 |
| 60 | 637/2008 dt.17.03.2008 | 609/B,606/B,630/B,636/D,639/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.55 |
| 61 | 638/2008 dt.17.03.2008 | 634,611/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.97 |
| 62 | 639/2008 dt.17.03.2008 | 611/A1 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.90 |
| 63 | 640/2008 dt.17.03.2008 | 611/A,611/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.00 |
| 64 | 641/2008 dt.17.03.2008 | 649/D,648/B,648/F | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.29 |
| 65 | 642/2008 dt.17.03.2008 | 639/E | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.51 |
| 66 | 643/2008 dt. 17.03.2008 | 606/A,608/C,606/E,608/A,632/C,608/D,646/B,646/B,648/A,642/C,649/B, | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 13.81 |
| 67 | 654/2008 dt.27.03.2008 | 609/A,609/B,603/C,605/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 9.14 |
| 68 | 696/2008 dt.27.03.2008 | 625/A, 620/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.84 |
| 69 | 698/2008 dt.27.03.2008 | 603/D | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.38 |
| 70 | 697/2008 dt.27.03.2008 | 646/A,646/B,649/A,649/D,648/C | Gudipadu village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.54 |
| 71 | 698/2008 dt.27.03.2008 | 638/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.81 |
| 72 | 699/2008 dt.27.03.2008 | 604/C,609/D,609/B,605/B,604,609/A,604/B,609/B,605/C,609/D,609/B,609/D. | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.00 |
| 73 | 700/2008 dt.27.03.2008 | 609/C,604/A,609/F,609/B,609/N,609/A,609/D,609/E,609/D,609/A,609/D. | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.14 |
| 74 | 701/2008 dt.27.03.2008 | 635 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.28 |
| 75 | 854/2008 dt.25.04.2008 | 599,608,618/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.17 |
| 76 | 860/2008 dt.03.05.2008 | 728/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.42 |
| 77 | 961/2008 dt.05.05.2008 | 15/B,15/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.40 |
| 78 | 866/2008 dt.07.05.2008 | 606/A,605/B,583/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.31 |
| 79 | 867/2008 dt.07.05.2008 | 15/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.07 |
| 80 | 868/2008 dt.07.05.2008 | 495 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.47 |

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| | | | | |
|---|---|---|---|---|
| 81 | 869/2008 dt.07.05.2008 | 504/3 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.12 |
| 82 | 871/2008 dt.07.05.2008 | 611/A3 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.05 |
| 83 | 872/2008 dt.07.05.2008 | 506/3 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.13 |
| 84 | 873/2008 dt.07.05.2008 | 506/1,506/2,504/4 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 10.70 |
| 85 | 891/2008 dt.13.05.2008 | 605 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.30 |
| 86 | 892/2008 dt.13.05.2008 | 615,616,617 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.31 |
| 87 | 893/2008 dt.13.05.2008 | 524 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 6.69 |
| 88 | 894/2008 dt.13.05.2008 | 98/A,99/C,99/E,98/D,99/I | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.35 |
| 89 | 895/2008 dt.13.05.2008 | 630/5, 628/6,638/7 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.94 |
| 90 | 896/2008 dt.13.05.2008 | 630/8 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.48 |
| 91 | 949/2008 dt.21.05.2008 | 186/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.62 |
| 92 | 950/2008 dt.21.05.2008 | 613/K,613/I | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.46 |
| 93 | 951/2008 dt.21.05.2008 | 621 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.82 |
| 94 | 952/2008 dt.21.05.2008 | 393 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.70 |
| 95 | 958/2008 dt.21.05.2008 | 548 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.94 |
| 96 | 1011/2008 dt.02.06.2008 | 404 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.03 |
| 97 | 1061/2008 dt.12.06.2008 | 412 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.29 |
| 98 | 1062/2008 dt.12.06.2008 | 412 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 8.05 |
| 99 | 1063/2008 dt.12.06.2008 | 641/3 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.27 |
| 100 | 1064/2008 dt.12.06.2008 | 629 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.71 |
| 101 | 1090/2008 dt.16.06.2008 | 672,672/A,672/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.95 |
| 102 | 1091/2008 dt.16.06.2008 | 231 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.25 |
| 103 | 1092/2008 dt.16.06.2008 | 245/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.42 |
| 104 | 1093/2008 dt.16.06.2008 | 241/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.87 |
| 105 | 1094/2008 dt.16.06.2008 | 245/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.87 |
| 106 | 1095/2008 dt.16.06.2008 | 393 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.41 |
| 107 | 1096/2008 dt.16.06.2008 | 265/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.89 |
| 108 | 1097/2008 dt.16.06.2008 | 245/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.19 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| | | | | |
|---|---|---|---|---|
| 109 | 1529/2008 dt.22.09.2008 | 616/268/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 11.33 |
| 110 | 1530/2008 dt.22.09.2008 | 611/C,A31/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.08 |
| 111 | 2194/2008 dt.17.12.2008 | 629 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.81 |
| 112 | 2212/2008 dt.19.12.2008 | 489/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.51 |
| 113 | 2204/2008 dt.19.12.2008 | 539/A,593/B,539/H,541,542,66,511/B/1 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.43 |
| 114 | 2209/2008 dt.19.12.2008 | 358,371,374,375,432 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.97 |
| 115 | 2206/2008 dt.29.12.2008 | 337 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.94 |
| 116 | 2210/2008 dt.29.12.2008 | 647,688 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.28 |
| 117 | 1457/2009 dt.10.08.2009 | 10/C | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.06 |
| 118 | 1458/2009 dt.10.08.2009 | 746 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.09 |
| 119 | 1459/2009 dt.10.08.2009 | 746,747 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 8.95 |
| 120 | 1460/2009 dt.10.08.2009 | 689 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.06 |
| 121 | 1461/2009 dt.10.08.2009 | 609 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.03 |
| 122 | 1462/2009 dt.10.08.2009 | 746 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.95 |
| 123 | 1463/2009 dt.10.08.2009 | 701 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 9.71 |
| 124 | 1464/2009 dt.10.08.2009 | 697 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.49 |
| 125 | 1465/2009 dt.10.08.2009 | 748 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.01 |
| 126 | 1466/2009 dt.10.08.2009 | 697,747 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.86 |
| 127 | 1473/2009 dt.10.08.2009 | 572/2 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.71 |
| 128 | 1474/2009 dt.10.08.2009 | 569/2 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.56 |
| 129 | 649/2010 dt.04.03.2010 | 394/D,439/E,393 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.37 |
| 130 | 648/2010 dt.04.03.2010 | 363,365/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.65 |
| 131 | 650/2010 dt.04.03.2010 | 605/1,605/J,640/1,2,3,4,641/A/1,641/B | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.39 |
| 132 | 651/2010 dt.04.03.2010 | 729/1 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.14 |
| 133 | 652/2010 dt.04.03.2010 | 330/A,510/B,687,689 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.06 |
| 134 | 661/2010 dt.5.03.2010 | 168 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 9.80 |
| 135 | 662/2010 dt.05.03.2010 | 363,436/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.65 |
| 136 | 663/2010 dt.05.03.2010 | 362 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 5.53 |

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For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

| | | | | |
|---|---|---|---|---|
| 137 | 864/2010 dt.05.03.2010 | 510/0 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.06 |
| 138 | 2193/2010 dt.22.09.2010 | 426,427 | Gudipadu Village, Yadiki Mandal, Anantapur District, Andhra Pradesh | 2.79 |
| 139 | 330/2011 dt.14.03.2011 | 78/G,73/J | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.15 |
| 140 | 332/2011 dt.14.03.2011 | 56/E | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.61 |
| 141 | 334/2011 dt.14.03.2011 | 361, 434/A | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.93 |
| 142 | 331/2011 dt.14.03.2011 | 223/2,184/1,186/2 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.14 |
| 143 | 332/2011 dt.14.03.2011 | 24 | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 0.64 |
| 144 | 365/2011 dt.14.03.2011 | 441/E | Gudipadu Village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.89 |
| | 5/2013 dt.21.03.2013 | 760/1,760/2,761, in 760, 477,492,495,709,756,804,805,644, 470,479,480, 691,484/3,484/4,484/2,492,503 /3,513,513/2,516,524,649/1,652/2, | Gudipadu Village, Yadiki Mandal, Anantapur District, Andhra Pradesh | 47.02 |
| 146 | 2194/2010 dt.22.09.2010 | 197/A,197/B,197/C | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 8.10 |
| 147 | 2195/2010 dt.22.09.2010 | 198 | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 4.38 |
| 148 | 2304/2010 dt.05.10.2010 | 201 | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 9.71 |
| 149 | 2366/2010 dt.19.10.2010 | 196 | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 7.35 |
| 150 | 2389/2010 dt.19.10.2010 | 197/C | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.88 |
| 151 | 2532/2010 dt.11.11.2010 | 195 | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.45 |
| 152 | 10117/2015 dt.24.08.2015 | 194,195,196,200/A | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 21.48 |
| 153 | 10119/2015 dt.24.08.2015 | 193/A,192,193 | Nettur village, Yadiki Mandal, Anantapur district, Andhra Pradesh | 36.56 |
| 154 | 836/2008 dt.28.04.2008 | 195/A | Venkatam Palli, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.50 |
| 155 | 862/2008 dt.01.05.2008 | 78/B,165/3 | Venkatam Palli, Yadiki Mandal, Anantapur district, Andhra Pradesh | 3.40 |
| 156 | 863/2008 dt.01.05.2008 | 104 | Venkatam Palli, Yadiki Mandal, Anantapur district, Andhra Pradesh | 2.53 |
| 157 | 2208/2008 dt.19.12.2008 | 06 | Venkatam Palli, Yadiki Mandal, Anantapur district, Andhra Pradesh | 6.38 |
| 158 | 2211/2008 dt.29.12.2008 | 106 | Venkatam Palli, Yadiki Mandal, Anantapur district, Andhra Pradesh | 1.45 |
| Total | | | | 184.38 |

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Annexure-8

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CA (CAA) No. 37/230/HDB/2021

Date of Order:28.10.2021

**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**BENCH AT HYDERABAD-1**

CA (CAA) No. 37/230/HDB/2021

U/s 230 to 232 of Companies Act, 2013

**IN THE MATTER OF**

**SCHEME OF AMALGAMATION OF**

M/s. Sagar Cements (R) Limited

('Transferor Company')

And

M/s. Sagar Cements Limited

("Transferee Company")

And

Their respective Shareholders

**M/s. Sagar Cements (R) Limited**
Registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033,Telangana, India,
Rep. by its Director Sri S.Sreekanth Reddy.

...1st Applicant/
Transferor Company

And

**M/s. Sagar Cements Limited**
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033,Telangana, India,
Rep. by its Director Dr.S.Anand Reddy

...2nd Applicant/
Transferee Company

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Date of order: 28.10.2021**

**Coram:**

Hon'ble Dr.Venkata Ramakrishna Badarinath Nandula, Member (Judicial)

Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

**Appearances:**

For the Applicant: Shri V.B.Raju, Counsel.

Heard on: 22.10.2021

**[PER BENCH]**

This is a joint Application filed by the Applicant Companies under Section 230-232 of the Companies Act, 2013, praying for dispensation of the meetings of the Equity Shareholders, Unsecured Creditors and secured Creditors of the Applicant Companies for approval of the Scheme in terms of Scheme of Amalgamation shown as per Annexure - 7 to the Application.

**AVERMENTS**

2. The averments germane to the facts of the Application are:

a. **Sagar Cements (R) Limited (Transferor Company):** A Public Limited Company, bearing CIN: U26942KA2007PLC043746 was incorporated on 30thAugust, 2007 under the name and style of M/s BMM Cements Limited in the State of Karnataka. Later on, the Company had changed its name to Sagar Cements (R) Limited after passing necessary resolutions and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka, on 28th day of March, 2017. Later on the Company had changed its registered office from the State of Karnataka to State of Telangana by virtue of passing a special resolution on 27.03.2019 and after obtaining necessary approval from the Regional Director, South East Region, Hyderabad dated 21st June, 2019.The Registrar of Companies,

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Telangana at Hyderabad, issued a fresh certificate of incorporation on 24.07.2019 under the CIN: U40300TG2007PLC134320.

b. Transferor Company is engaged in the business of manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc., The Memorandum and Articles of Association of the Transferor Company is annexed hereto as **Annexure-1.**

c. The Authorized, Issued, Subscribed and Paid-up capital of the Transferor Company as on 31st March, 2020 is as follows: -

| **Particulars** | **Amount In INR** |
|---|---|
| **Authorised Share Capital** | |
| 10,70,00,000 Equity Share of INR 10each | 107,00,00,000 |
| 4,30,00,000 Preference Shares of INR 10 each | 43,00,00,000 |
| **Total** | 150,00,00,000 |
| **Issued, subscribed and fully paid up shares** | |
| 10,38,12,925 Equity Share of INR 10each | 103,8129,250 |
| 4,30,00,000 Preference Shares of INR 10 each | 43,00,00,000 |
| **Total** | 146,8129,250 |

Subsequent to 31st March, 2020, the Authorised share capital of the company has been increased from Rs.150,00,00,000/- to Rs.159,00,00,000/- divided into 11,60,00,000 (Eleven Crores Sixty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 4,30,00,000 (Four Crores Thirty Lakhs) Preference Shares of Rs.10/- (Rupees Ten Only) each vide Special resolution dated 21.12.2020.

The company has issued and allotted 1,21,50,000 equity shares of Rs. 10/- each on Rights basis on 04.02.2021

A copy of the Audited Balance Sheet as at 31st March, 2021 of the Transferor Company-1 is annexed hereto as **Annexure-2.**

d. **Sagar Cements Limited (Transferee Company)** a Public Limited Company, bearing CIN: L26942TG1981PLC002887 was incorporated on 15th January, 1981 under the name and style of M/s Sagar Cements

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Limited in the then State of Andhra Pradesh (now the State of Telangana by virtue of A.P. State Re-organisation Act, 2014).

e. The 2nd Applicant/ Transferee Company is engaged in the business of is engaged in the business of manufacturing, producing, processing, and dealing in cement and generation of power and their ancillaries etc., The Memorandum and Articles of Association of the 2nd Applicant/Transferee Company annexed hereto as **Annexure-3**.

f. The Authorized, Issued, Subscribed and Paid-up share capital of 2nd Applicant/Transferee Company as on 31st March, 2020 is as follows:

| **Particulars** | **Amount In INR** |
|---|---|
| **Authorised Share Capital**<br>2,35,00,000 Equity Shares of INR 10each | 23,50,00,000 |
| **Total** | 23,50,00,000 |
| **Issued, subscribed and fully paid up shares**<br>2,22,75,000 Equity Shares of INR 10 each | 22,27,50,000 |
| **Total** | 22,27,50,000 |

Subsequent to 31stMarch, 2020, - the company has allotted 12,25,000 equity shares of Rs.10/-each on 20.07.2020 against conversion of 12,25,000 outstanding convertible warrants. A copy of the audited Balance Sheet as at 31stMarch, 2021 of the 2nd Applicant/ Transferee Company is annexed hereto as **Annexure-4.**

## 3. RATIONALE AND PURPOSE OF THE SCHEME OF AMALGAMATION

The Board of Directors of the Transferor Company and Transferee Company envisages the following benefits pursuant to the Amalgamation of the Transferor Company with the Transferee Company:

The Merger of the Transferor company with the transferee Company would have the following benefits:

a. Reduction in the cost of overheads and improvement in professional management.

For SAGAR CEMENTS (H) L

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

ND REDDY
MANAGING DIRECTOR

b. Reduction in multiplicity of legal and regulatory compliances and simplification of group structure.

c. Enhance the scale of operations thereby providing significant impetus to the growth of the Companies, since they are engaged in line of business that could draw upon synergies between the Transferor Company and the Transferee Company.

d. Consolidation of Transferor Company with the Transferee Company by way of amalgamation would lead to a more efficient utilization of capital and improved financial structure.

e. The benefit of consolidation of financial resources, managerial and technical expertise of the Transferor Company and the Transferee Company shall be available to the Transferee entity leading to the overall optimization of operational and administration costs.

The amalgamation will rationalize and optimize the group legal entity structure to ensure greater alignment of the businesses by reducing number of legal entities and also statutory compliances.

Will achieve synergies in business activity, consolidation, focused attention, centralized administration, Economy of operation, integrated business approach and greater efficiency.

**4. BOARD RESOLUTION**

The Board of Directors of the 1st Applicant / Transferor Company and 2nd Applicant/Transferee Company vide its resolution dated 26th April, 2021 approved the Scheme of amalgamation of M/s Sagar Cements (R), (hereinafter referred to as the **"Transferor Company"**) and M/s Sagar Cements Limited (hereinafter referred to as the **"Transferee Company"**) and their respective shareholders. The Copies of Board Resolution of the 1st Applicant / Transferor Company and 2nd Applicant/Transferee Company approving the Scheme of Amalgamation are annexed hereto and marked as **Annexure- 5 and 6** respectively.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

ANAND REDDY
MANAGING DIRECTOR

## 5. DETAILS OF SHAREHOLDERS IN APPLICANT COMPANIES

a. It is submitted that there are 8 shareholders in the 1st Applicant / Transferor Company and they have given their no objection to the proposed Scheme by means of consent affidavits. A copy of the List of Shareholders and no objection affidavits received from them duly certified by Chartered Accountant is annexed as **Annexure-8** to the Application.

b. It is submitted that there are 20,943 shareholders in the 2nd Applicant / Transferee Company. A copy of the List of Shareholders duly certified by practicing company secretary is annexed hereto as **Annexure-9.**

## 6. SECURED AND UNSECURED CREDITORS

### Secured Creditors

It is submitted that as on the date of filing of the Application, there are four Secured Creditors in 1st Applicant/Transferor Company. The copy of the list of Secured Creditors duly certified by Chartered Accountant along with no objection letters are annexed hereto as Annexure-10 to the Application. It is submitted that as on the date of filing of the Application, there are 3 Secured Creditors in 2nd Applicant/Transferee Company and copy of the list of Secured Creditors duly certified by Chartered Accountant is annexed as **Annexure-11** to the Application.

### Unsecured Creditors

As on 30th April, 2021 there are 208 Unsecured Creditors in 1st Applicant/Transferor Company and the total amount due is Rs. 2,888.15 Lakhs. However, the 1st Applicant/Transferor company had paid off the dues to an extent of Rs. 2,807.79 Lakhs to Unsecured Creditors in full constituting more than 97.22% of total outstanding amount as on 29th June, 2021. A copy of the list of Unsecured Creditors as on 30th April, 2021 and amount outstanding as on 29th June, 2021 duly certified by the Chartered Accountant is annexed hereto as **Annexure-12.**

For SAGAR CEMENTS (K) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

As on the date of filing of the Application, there are 256 Unsecured Creditors in 2nd Applicant/Transferee Company and copy of the list of Unsecured Creditors duly certified by Chartered Accountant is annexed hereto as **Annexure-13.**

**7. CONSIDERATION**

The entire issued and paid-up equity share capital of the Transferor Company is held by the Transferee Company and its nominees. Accordingly, the shares held by the Transferee Company in the Transferor Companies shall, on and from the end of the Transition Period, be cancelled or shall be deemed to have been cancelled without any further act or deed, and accordingly, no shares of the Transferee Company shall be issued to the shareholders of the Transferor Companies in lieu of the said amalgamation.

The shares of the Transferor Company, in relation to the shares held by its members, shall without any further application, act, instrument or deed be deemed to have been automatically cancelled and be of no effect on and from the end of the Transition Period.

**8. ACCOUNTING TREATMENT**

**Accounting Treatment in the books of Transferee Company**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall account for the transaction in accordance with the applicable accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date.

It is submitted that upon coming into effect of this scheme, the Transferee Company shall account for the amalgamation in its books of accounts in accordance with 'pooling of interests method' of accounting as laid down in the Indian Accounting Standard (IND AS) 103 – Business Combinations and relevant clarifications issued by Institute of Chartered Accountants of India.

For SAGAR CEMENTS (H)

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

**Accounting Treatment in the hooks of Transferor Companies**

It is submitted that Transferor Companies shall stand dissolved without being wound up upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company.

9. Counsel for the Applicant Companies has relied on the case laws to justify the present case for dispensation of conducting meetings of equity shareholders and creditors of the Transferee Company. In this connection the case laws submitted by the Counsel are mentioned below:

a. Orders passed by Hon'ble NCLAT in the matter of Ambuja Cements Limited in Company Appeal(AT) No.19 of 2021 vide orders dated 06.04.2021.

b. Orders passed by Hon'ble NCLAT in the matter of DLF Phase-IV, Commercial Developers Limited and Ors in Company Appeal(AT) No.180 of 2019 vide orders dated 19.08.2019.

c. Orders passed by Hon'ble NCLT, Mumbai Bench vide orders dated 05.09.2019 in the matter of Ness Software Services Pvt Ltd Vs. Ness Technologies(India) Pvt.Ltd. in CA(CAA) No.2629/MB/2019.

d. Orders passed by Hon'ble NCLT, Hyderabad Bench vide orders dated 06.05.2020 in the matter of Orient Software Development and Training Company Private Limited Vs. Orient Blackswan Private Limited in CA(CAA) No.57/HDB/2020.

e. Orders passed by Hon'ble NCLT, Hyderabad Bench vide orders dated 15.12.2020 in the matter of Vaidehi Avenues Limited and Aster Rail Private Limited and NCC Limited in CA(CAA) No.223/HDB/2020.

10. **DECLARATION BY THE APPLICANT COMPANIES:**

a. Counsel for Applicant Companies further submitted that since the wholly owned subsidiary company is merging with the holding company so the requirement of the meetings of the shareholders and creditors are not necessary. As the entire share capital of the

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Transferor Company is held by the holding company and there is no necessity to issue or allot the shares as the consideration for the amalgamation. Further the amalgamation shall not dilute the shareholding of the holding company and their rights will not be effected. Further the scheme does not affect the rights and necessity of the members of the creditors of the company pursuant to the scheme. Further submitted that the assets of the Transferee Company are more than sufficient to discharge its liabilities. Therefore there is no necessity to convene the meeting of its shareholders and creditors for obtaining their consent for the sanction of the scheme. Further submitted that the various High Courts in the matter of amalgamation under Section 391 to 394 erstwhile Companies Act 1956 which established common law that in case of wholly owned subsidiary amalgamating with the holding company, the holding company (Transferee Company) need not file a separate application for seeking the sanction of the scheme of amalgamation.

b. Counsel for applicant Companies submitted that no investigation proceedings in relation to the Transferor Company or the Transferee Company under Sections 235 to 251 of the Companies Act, 1956 or the corresponding Sections 210 to 227 of the Companies Act, 2013 are pending against the respective Applicant Companies.

c. Further submitted that Transferor Company being unlisted company, no approval is necessary from any stock exchange. It is submitted that the proposed Scheme being a Scheme of arrangement involving amalgamation of the wholly owned subsidiary with its holding company, by virtue of Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "SEBI (LODR)"], the Transferee Company is not required to obtain an Observation/No Objection letter from Stock Exchanges.

d. In view of the above facts and circumstances, it is respectfully submitted that since the Scheme does not envisage any arrangement or compromise with the shareholders or creditors of the Transferee

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Company, the Transferee Company is not required to convene meetings of its shareholders and creditors for obtaining their consents for the Scheme.

11. In the light of above facts, the Applicant Companies urged this Tribunal to order the following:

To dispense with the requirement of convening the meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Applicant Companies.

and pass such other order or orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case in the interest of justice and equity.

**OBSERVATION:**

12. We have heard the counsel for Applicant Companies and perused the documents filed. This is the first stage joint Application seeking dispensation of convening meetings of equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Companies. We direct the petitioner to hold the meetings of the shareholders, secured creditors and unsecured creditors of the transferee Company as per the provisions of Companies Act, 2013.

**ORDER**

After hearing the Counsel and after perusing the documents filed, We pass the following order:-

(i). We hereby order dispensation for conducting meetings of the Equity Shareholders, secured creditors and unsecured creditors of the Transferor Company.

(ii). We hereby order convening meetings of shareholders, secured creditors and unsecured creditors of transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(iii). Appointed Mr.B.Venkata Prasad, Advocate (Mobile Number +91-9849531424) as Chairman and Ms.Rishika Kumar, (Mobile Number +91-7751849489), as Scrutinizer for convening the meetings of shareholders, Secured creditors and unsecured creditors of the Transferee Company. Fee fixed for Chairperson is Rs. 1,20,000/- and Rs.80,000/- for scrutinizer for all the meetings.

(iv). Meetings of the equity shareholders of the Transferee Company will be held on 8th December, 2021 at 11:00 AM, Meeting of the secured creditors of the Transferee Company will be held on 8th day of December, 2021 at 01:30 PM and meetings of Unsecured Creditors of the transferee Company will be held on 8th day of December, 2021 at 3.00 PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) for the purpose of considering the Scheme. The Voting shall be through E-Voting by person or by authorized representative.

(v). The Quorum fixed for the meetings of transferee Company are as under:-

For shareholders meeting: 50(persons).

For secured creditors meeting: 1 (persons).

For unsecured creditors meeting: 25 (persons).

The notice of the Meetings of equity shareholders, secured creditors and unsecured creditors of Transferee Company shall be published in "Business Standard", English Daily, Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition.

(xi) The Transferee Company or their respective authorized Signatory are directed to issue notices (s) to the equity shareholders, secured creditors and unsecured creditors of the Transferee Company by Registered Post/ Courier/Ordinary Post/ Registered email or by hand delivery to their last known address 30 days before the said meetings as per Form No. CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuring convening the said meeting of the Transferee Company.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

Further directed to intimate day, date and time, a copy of Explanatory Statement, pursuant to be sent under Section 230 of the Companies Act, 2013.

(xii) The Transferee Company to serve notices upon the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice, it will be presumed that Regional Director and/or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

(xiii) The Transferee Company to serve the notice upon the Registrar of Companies Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangement and Amalgamations) Rules, 2016 and if no response is received by the Tribunal from Registrar of Companies, Hyderabad within 30 days of the date of receipt of the notice, it will be presumed that Registrar of Companies, Hyderabad has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise Arrangements and Amalgamations) Rules, 2016.

(xiv) The Transferee Company to serve notice upon the Income Tax Authority, within whose jurisdiction that Applicant Companies Assessment are made, pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Income Tax Authority within 30 days of the date of receipt of the notice, it will be presumed that Income Tax Authority has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(xv) The Transferee Company to serve notice upon the Official Liquidator pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Official Liquidator within 30 days of the date of receipt of the notice it will be presumed that Official Liquidator has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

(xvi) The Transferee Company to serve notice upon the SEBI, BSE & NSE pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from the SEBI, BSE & NSE within 30 days of the date of receipt of the notice it will be presumed that SEBI, BSE&NSE has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

(xvii) The Chairmen shall have all powers under the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 in relation to the conduct of the meetings (s) including for deciding procedural questions that may arise before or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person (s).

(xviii) The voting shall be in person or by proxy or e-voting or authorized representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant Company at its Registered office, not later than, forty eight hours before the aforesaid meeting in accordance with Rule 10 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

(xix) The Chairmen to file affidavit within 7 days before the date of the said meetings to this Tribunal that the direction regarding convening and issuance of notice (s) to all the necessary parties have been duly complied with in conformity with the relevant provisions of the Companies Act, 2013 R/w Companies (Compromise, Arrangement and Amalgamation) Rules, 2016. The Chairman shall report the conclusion of the aforesaid meetings within 10 days from the date of such meetings as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

(xx) Accordingly, the application CA(CAA) Merger & Amalgamation/37/2021 is allowed and disposed.

**Veera Brahma Rao Arekapudi**
**Member (Technical)**

**Dr.N.V. Ramakrishna Badrinath**
**Member (Judicial)**

**Pavani**

29/10/2021
Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER CA(CAA)No.37/230/HDB/2021
निर्णय का तारीख
DATE OF JUDGEMENT 28/10/2021
प्रति तैयार किया गया तारीख
COPY MADE READY ON 29/10/2021

For SAGAR CEMENTS LIMITED

Dr. S. ANAND REDDY
MANAGING DIRECTOR

For SAGAR CEMENTS (R) LIMITED

S. SREEKANTH REDDY
DIRECTOR

Annexure "9"

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD

CA (CAA) No.37/230/HDB/2021

In the matter of the Companies Act, 2013
And
In the matter of M/s Sagar Cements (R) Limited
('Transferor Company)
And
M/s. Sagar Cements Limited
("Transferee Company)
And
Their respective Shareholders

M/s.Sagar Cements Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad - 500033,Telangana, India, rep. by its Director
Dr.S.Anand Reddy ... 2nd Applicant / Transferee Company

**REPORT OF RESULT OF EQUITY SHAREHOLDERS MEETING BY CHAIRMAN**

I, B.Venkata Prasad, Advocate, the person appointed by this Hon'ble Tribunal to act as Chairman of the meeting of the Equity Shareholders of the above named company, summoned by notice served them upon them on 8th November, 2021 by email and courier, and also by advertisement dated 8th November, 2021 published in "Business Standard" (English Daily, Hyderabad Edition), on 8th November, 2021 and "Nava Telangana"(Telugu Daily, Hyderabad Edition) on 7th November, 2021, and held on 8th December, 2021 at 11.00 A.M through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"), do hereby report to this Hon'ble Tribunal as follows:-

1. 68 Equity shareholders of the said 2nd Applicant Company/Transferee Company attended the meeting either personally or through authorized representatives.

2. The rationale of the proposed Scheme of Amalgamation of Sagar Cements (R) Limited ("Transferor Company") with M/s Sagar Cements Limited (Transferee Company) and their Respective Shareholders ('the Scheme of Amalgamation') was read out and explained by me at the meeting and the question submitted to the said meeting was whether the Equity Shareholders of the said Applicant Company approved the Scheme submitted to the meeting and agreed thereto.

B. Venkata Prasad

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3. Based on the consolidated report on result of voting through remote e-voting and e-voting at the Meeting, the Equity Shareholders, were of the opinion that the Scheme should be approved and agreed to and passed the following resolution with requisite majority:

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act,2013, the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s)thereof, for the time being in force], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s)thereof, for the time being in force]and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble jurisdictional National Company Law Tribunal **("Hon'ble Tribunal"/"NCLT")** and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reasons whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of M/s.Sagar Cements (R) Limited ("Transferor Company") and M/s.Sagar Cements Limited (Transferee Company) and their Respective Shareholders, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable."*

The result of the voting upon the said question was as follows:

**a. Votes in favour of the Resolution:**

| **Manner of Voting** | **Number of Equity Shareholders voted** | **No. of votes cast by Equity Shareholders** |
|---|---|---|
| Remote e-voting | 112 | **101496137** |
| e-voting at the meeting (Insta Poll) | 18 | 18495 |
| **Total** | 130 | 101514632 |
| **% of the total number of votes in favour** | | **99.99%** |

B. Venkat

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The under mentioned Equity Shareholders voted through remote e-voting in favour of the proposed Scheme being adopted and carried into effect:

| Sr. No. | Name of the Equity Shareholders | No of Equity Shares held |
|---|---|---|
| 1 | KADAVALLORE GOPALAKRISHNAN RAMANI | 175 |
| 2 | BIJAY KUMAR DESHMUKH | 75 |
| 3 | GANESAN MARUTHAMUTHU | 25 |
| 4 | NORONHA CLIFFERD | 100 |
| 5 | ARUN G | 13 |
| 6 | S THANGAVELU | 250 |
| 7 | SHREYA MARNENI | 2 |
| 8 | JINGILIPALEM LAKSHMI DEVI | 560 |
| 9 | RAGHUVEER RAO MARNENI | 5 |
| 10 | MARNENI JYOTHI | 5 |
| 11 | PRAMOD PANDURANG YEREKAR | 10 |
| 12 | BHARAT H SHAH | 2000 |
| 13 | MERCY SOWJANYA PITTA | 10 |
| 14 | PRAMOD KUMAR SINGH | 25 |
| 15 | DIPAK DAS | 2 |
| 16 | SAJU MOHANAN NAIR | 15 |
| 17 | JYOTI AMAR SHENDGE | 25 |
| 18 | JYOTI AMAR SHENDGE | 1 |
| 19 | VAHORA MOHAMAD TAHIR AIYUBBHAI | 500 |
| 20 | RAJESH KEWALRAM CHAINANI | 5 |
| 21 | MOHIT AGARWAL | 15 |
| 22 | RAMANA RAO TUMULURI | 5 |
| 23 | JAYA BHARATHI TUMULURI | 5 |
| 24 | SAJEEDA BEGUM | 1 |
| 25 | ROHINTON FRAMROZE BATIWALA | 25 |
| 26 | KAMAL KISHORE JHAWAR | 1 |
| 27 | SURJYA KANTA MOHANTY | 50 |
| 28 | ASHWIN GUPTA | 10 |
| 29 | ANUJA KARWAL | 120 |
| 30 | VIJAYA K DHULLA | 250 |
| 31 | SRIKANTH JHAWAR | 5 |
| 32 | DR. SAMMIDI ANAND REDDY | 15000 |
| 33 | S SREEKANTH REDDY | 6193765 |
| 34 | RANGASWAMY SOUNDARARAJAN | 50 |
| 35 | KOLLURU PRASAD | 32585 |
| 36 | ANAND REDDY SAMMIDI | 6293125 |
| 37 | ANAND REDDY SAMMIDI | 224495 |
| 38 | ARUNA SAMMIDI | 6746940 |
| 39 | S ARUNA | 100785 |
| 40 | RACHANA SAMMIDI | 5714995 |
| 41 | RACHANA SAMMIDI | 121420 |
| 42 | SREEKANTH REDDY SAMMIDI | 3250 |
| 43 | MADHAVI NADIKATTU | 2669000 |
| 44 | SIDDARTH SAMMIDI | 4109490 |
| 45 | PRAFUL CHAVDA | 3875 |
| 46 | MALATHI REDDY WDARU | 3777000 |
| 47 | VANAJATHA SAMMIDI | 4953845 |
| 48 | RAMESH SHANKER GOLLA | 25 |
| 49 | M V SEETHA RAM REDDY | 10 |
| 50 | NAJMUNNISA BEGUM | 5 |
| 51 | ANEESH REDDY SAMMIDI | 4109485 |
| 52 | VANAJA LAKSHMANAN IYER | 15 |
| 53 | RV CONSULTING SERVICES PRIVATE LIMITED | 8011490 |
| 54 | KAMAL KISHORE JHAWAR | 5 |
| 55 | NIKITA CHAMARIA | 5 |
| 56 | S SUGANTHI | 25 |
| 57 | ALLURU KRISHNAM RAJU | 500 |

B. Venkat Rao

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| | | |
|---|---|---|
| 58 | VENKATA RATNAM BONDA | 80 |
| 59 | RAMUDU BONDA | 164 |
| 60 | SAVYASACHI CONSTRUCTIONS PRIVATE LIMITED | 4730 |
| 61 | SAVYASACHI CONSTRUCTIONS PVT LTD | 309105 |
| 62 | PANCHAVATI POLYFIBRES LTD | 157500 |
| 63 | SAGAR PRIYA HOUSING AND INDUSTRIAL ENTERPRISES LIMITED | 4300000 |
| 64 | TWINVEST FINANCIAL SERVICES LIMITED | 3207875 |
| 65 | TWINVEST FINANCIAL SERVICES LTD | 858760 |
| 66 | WALIUR RAHMAN SUFI MOHAMMAD | 5 |
| 67 | VELU MOHAN | 10 |
| 68 | SWAPNIL RAVINDRA MHATRE | 80 |
| 69 | AKUNDI SHARAD KUMAR | 16 |
| 70 | ASIF YUNUS MODY | 100 |
| 71 | PRAVINCHANDRA MANEKLAL PATEL | 20 |
| 72 | K MANUPATI SRINIVASULU NAIDU | 500 |
| 73 | MOHAN LAL GUPTA | 50 |
| 74 | NATHALA RAJASEKHAR REDDY | 1015 |
| 75 | LOMADA RAVISANKAR REDDY | 30 |
| 76 | SEELAIAH BHARATHAM | 50 |
| 77 | AVH RESOURCES INDIA PRIVATE LIMITED | 25668780 |
| 78 | ANNAJI RAO RANI | 250 |
| 79 | PRAMOD KUMAR JOSHI | 50 |
| 80 | MD ANWARUR RAHMAN SUFI | 5 |
| 81 | BALAJI NAGENDRA MENDU | 5 |
| 82 | PAVAN KUMAR MAINCHIKANTI | 21 |
| 83 | BUMA-UNIVERSAL-FONDS I | 58958 |
| 84 | PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA | 101630 |
| 85 | PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA | 140000 |
| 86 | PGIM INDIA TRUSTEES PRIVATE LIMITED A/C PGIM INDIA | 2529905 |
| 87 | PGIM INDIA TRUSTEE PRIVATE LIMITED A/C - PGIM INDIA | 1006120 |
| 88 | HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES | 884159 |
| 89 | SBI MAGNUM COMMA FUND | 731905 |
| 90 | HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUIT | 3454973 |
| 91 | LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM | 3505 |
| 92 | EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO | 30621 |
| 93 | CITY OF LOS ANGELES FIRE AND POLICE PENSION PLAN | 7055 |
| 94 | DIMENSIONAL EMERGING MARKETS VALUE FUND | 5919 |
| 95 | 1199 SEIU HEALTH CARE EMPLOYEES PENSION FUND | 30105 |
| 96 | WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC. | 28639 |
| 97 | DIMENSIONAL WORLD EX U.S. CORE EQUITY 2 ETF OF DIM | 13577 |
| 98 | BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD. | 2480 |
| 99 | IDFC STERLING VALUE FUND | 1400000 |
| 100 | IDFC TAX ADVANTAGE (ELSS) FUND | 1150000 |
| 101 | IDFC INFRASTRUCTURE FUND | 1012665 |
| 102 | IDFC EMERGING BUSINESSES FUND | 956832 |
| 103 | ALASKA PERMANENT FUND | 11965 |
| 104 | CITY OF NEW YORK GROUP TRUST | 2693 |
| 105 | CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE | 16185 |
| 106 | STATE OF WISCONSIN INVESTMENT BOARD - ACADIANEMERG | 27705 |
| 107 | FLORIDA RETIREMENT SYSTEM - ACADIAN ASSET MANAGEMENT | 25090 |
| 108 | THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SY | 33437 |
| 109 | ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC | 150827 |
| 110 | PENSION RESERVES INVESTMENT TRUST FUND - ACADIAN | 34739 |

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| | | |
|---|---|---|
| 111 | BOI AXA TRUSTEE SERVICES PVT LTD A/C BOI AXA LARGE | 40000 |
| 112 | AMERICAN CENTURY ETF TRUST-AVANTIS EMERGING MARKET | 9772 |
| 113 | SHYAMA SUNDARI NARANG | 5 |
| 114 | BALA SHANKARANARAYANA | 100 |
| 115 | PILLA ANAND | 227 |
| 116 | REDDEPPA GUNDLURU | 5 |
| 117 | RAVINDER REDDY KOTHA | 5000 |
| 118 | CHENCHU KRISHNA REDDY KALLURU | 3602 |
| 119 | SHILPA REDDY NAMIREDDY | 3250 |
| 120 | VANDANA G | 5 |
| 121 | GOPAL P | 5 |
| 122 | YOGANANDA DEEKSHITHULU ARAVAPALLI | 5 |
| 123 | MANI SUNDARAM A V | 5 |
| 124 | KOLLURU PRABHAKAR | 510 |
| 125 | RAJYALAKSHMI VAJRALA | 5510 |
| 126 | EDULA PANDU RANGA REDDY | 250 |
| 127 | JAICHAND P | 5 |
| 128 | ARCHANA J | 5 |
| 129 | ABHISHEK J | 5 |
| 130 | SHUJATH ALI KHAN | 1 |
| **TOTAL** | | **101514632** |

* Out of the 68 Equity shareholders, who attended the meeting, 10 persons did not participate in the e-voting process.

**b. Votes against the Resolution:**

| Manner of Voting | Number of Equity Shareholders voted | No. of votes cast by Equity Shareholders |
|---|---|---|
| Remote e-voting | 2 | 62 |
| e-voting at the meeting (Insta Poll) | 0 | 0 |
| **Total** | 2 | **62** |

The under mentioned Equity Shareholders voted through remote e-voting against the proposed Scheme being adopted and carried into effect:

| Sr. No. | Name of the Equity Shareholders | No of Equity Shares held |
|---|---|---|
| 1. | RAKESH BHUTORIA HUF | 51 |
| 2. | SAYANTAN SAHA | 11 |
| **Total** | | **62** |

c. Equity Shareholders present in proxy: Not Applicable

**d. Abstain/Invalid Votes:**

| Manner of Voting | Number of Equity Shareholders voted | No. of votes cast by Equity Shareholders |
|---|---|---|
| Remote e-voting | 1 | 500 |
| e-voting at the meeting (Insta Poll) | 0 | 0 |
| **Total** | 1 | **500** |

B. Vamsikrishna

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The under mentioned Equity Shareholder voted through remote e-voting who abstained from voting either for or against on the proposed Scheme being adopted and carried into effect:

| Sr. No. | Name of the Equity Shareholder | No of Equity Shares held |
|---|---|---|
| 1. | JIBAN KRISHNA BHADURI | 500 |
| **Total** | | **500** |

I am enclosing a copy of the Scheme, which was approved by the Equity Shareholders, Newspaper publications published in "Business Standard" dated 8th November, 2021 and "Nava Telangana" dated 7th November, 2021 respectively and Scrutinizer's Report.

Dated this 14th day of December, 2021

B.Venkata Prasad, Advocate
Chairman Appointed for meeting of
Equity Shareholders
Address: H.No.7-1-22/12, Plot
No.302, Krish Central Apartments,
Leelanagar, Ameerpet,
Hyderabad-500 016

*RISHIKA KUMAR, ADVOCATE*
Mob: (+91) 7751849489
Email id: rishikakumar1996@gmail.com

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## CONSOLIDATED SCRUTINIZERS' REPORT

To
Shri. B.Venkata Prasad
Chairman appointed by the Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT), for the Meeting of the Equity Shareholders of SAGAR CEMENTS LIMITED pursuant to Company Application No. CA(CAA)Merger & Amalgamation/37/2021.

Dear Sir,

**Sub:Consolidated Scrutinizer's Report on remote e-voting conducted pursuant to the order of Hon'ble National Company Law Tribunal, Hyderabad Bench, at Hyderabad ("NCLT") dated 28th October, 2021 and the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 as amended and e-voting at the NCLT convened meeting of the Equity Shareholders of The SAGAR CEMENTS LIMITED held on Wednesday, December 08th, 2021 at 11:00 a.m.(IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').**

I, Rishika Kumar, Advocate, appointed as the Scrutinizer by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad (NCLT), vide order dated 28th October, 2021, in CA(CAA)Merger & Amalgamation/37/230/HDB/2021 for the purpose of scrutinizing remote e-voting process and e-voting at the NCLT Convened Meeting ("meeting") of the Equity Shareholders of SAGAR CEMENTS LIMITED (hereinafter referred to as "the Company") convened by order of NCLT and held through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) on Wednesday, 08th December, 2021 at 11:00 a.m. (IST), pursuant to Section 108 of the Companies Act, 2013 ("Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and in accordance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended and read with the General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020 and 02/21 dated 13th January 2021, issued by the Ministry of Corporate Affairs, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India, on the resolution seeking approval of the Equity Shareholders to the Scheme of Amalgamation of SAGAR CEMENTS (R) LIMITED (Transferor Company) with SAGAR CEMENTS LIMITED (Transferee Company) and their respective Shareholders ("the Scheme"), in terms of the Notice dated 05th November, 2021, convening the said meeting (the "Resolution").

Address: Flat No.201, 2nd Floor, House No.6-3-904/14, Ashiah's Residency, Matha Nagar, Somajiguda, Hyderabad- 500082, Telangana

B. Venkata Prasad

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**I do hereby submit my report as under:**

I. The Company had availed the e-voting facility offered by KFin Technologies Private Limited (KFintech) for conducting remote e-voting prior to and during the NCLT Convened meeting.

II. The Company had also provided e-voting facility to the Equity Shareholders present at the NCLT Convened meeting through VC / OAVM and who had not cast their votes earlier.

III. The Equity Shareholders of the Company holding shares as on the "cut-off" date of Friday, 01st December, 2021 were entitled to vote on the resolution as contained in the Notice of the NCLT convened meeting.

IV. The voting period for remote e-voting commenced on December 04th, 2021 at 9.00 a.m. Ending on: December 07th, 2021 at 5.00 p.m)

V. After the closure of e-voting at the NCLT Convened meeting, the report on remote e-voting done prior to and e-voting during the NCLT Convened meeting were unblocked and counted.

VI. I, have scrutinized and reviewed the remote prior to and e-voting during the NCLT Convened meeting and votes cast therein, based on the reports generated by the KFintech.

VII. The Management of the Company is responsible to ensure compliance with the requirements of the Companies Act, 2013 and rules relating to remote e-voting voting prior to and during the NCLT convened meeting on the resolution contained in the notice of the NCLT convened meeting.

VIII. My responsibility as scrutinizer for the remote e-voting and e-voting during the NCLT convened Meeting is restricted to making a Consolidated Scrutinizer's Report of the votes cast in favour or against the resolution.

IX. I now submit my consolidated report as under on the result of the remote e-voting prior to and e-voting during the NCLT convened meeting in respect of the said resolution.

X. The consolidated result of the voting seeking approval of the equity shareholders of the Company to the Scheme is as under:

Consolidated Report on result of voting through remote e-voting and e-voting at the NCLT Convened Meeting

**Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act,2013, the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble jurisdictional National Company Law Tribunal ("Hon'ble Tribunal"/ "NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reasons whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of M/s. Sagar Cements (R) Limited ("Transferor Company") and M/s. Sagar Cements Limited (Transferee Company) and their Respective Shareholders, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable."

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**Consolidated Report on result of voting through remote e-voting and e-voting at the NCLT Convened Meeting by the equity shareholders:**

(i) Voted in favour of Resolution:

| No. of Members voted | Number of Valid votes cast by them | % to total number of valid votes cast |
|---|---|---|
| 130 | 101514632 | 99.9999 |

(ii) Voted against the resolution

| No. of Members voted | Number of Valid votes cast by them | % to total number of valid votes cast |
|---|---|---|
| 2 | 62 | 0.0001 |

(iii) **Abstain/Invalid Votes:**

| No. of Members voted | Number of votes cast by them |
|---|---|
| 1 | 500 |

**Thanking you,**
**Yours faithfully**

Rishika Kumar (Advocate)

***Rishika Kumar***
***Advocate***
***Scrutinizer appointed by the Hon'ble NCLT Hyderabad Bench at Hyderabad***

Date: 09.12.2021
Place: Hyderabad

4.

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL: HYDERABAD BENCH AT HYDERABAD

C.A.(CAA) No.37/230/HDB/2021

In the matter of Companies Act, 2013
And
In the matter of Sections 230 R/W Sec.232 of the Companies Act 2013

M/s.Sagar Cements Limited
... 2nd Applicant/
Transferee Company

**REPORT OF RESULT OF EQUITY SHAREHOLDERS MEETING BY CHAIRMAN**

Filed on : 15.12.2021.

Filed by : V. B. Raju

Counsels for the Applicants
Address: 106, Dhanunjaya Towers,
Road No.1, Banjara Hills,
Hyderabad-34,
email; vsrajuco@rediffmail.com
Cell No: 9849120947

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD

CA (CAA) No.37/230/HDB/2021

In the matter of the Companies Act, 2013
And
In the matter of M/s Sagar Cements (R) Limited
('Transferor Company)
And
M/s. Sagar Cements Limited
("Transferee Company)
And
Their respective Shareholders

M/s.Sagar Cements Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad - 500033, Telangana, India, rep. by its Director
Dr.S.Anand Reddy ... 2nd Applicant / Transferee Company

**REPORT OF RESULT OF SECURED CREDITORS MEETING BY CHAIRMAN**

I, B.Venkata Prasad, Advocate, the person appointed by this Hon'ble Tribunal to act as Chairman of the meeting of the Secured Creditors of the above named company, summoned by notice served them upon them on 8th November, 2021 by email and courier, and also by advertisement dated 8th November, 2021 published in "Business Standard" (English Daily, Hyderabad Edition), on 8th November, 2021 and "Nava Telangana"(Telugu Daily, Hyderabad Edition) on 7th November, 2021, and held on 8th December, 2021 at 1.30 P.M through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"), do hereby report to this Hon'ble Tribunal as follows:-

1. The said meeting was attended either personally or through authorized representatives by 3(three) Secured Creditors of the said 2nd Applicant Company/Transferee Company entitled together to the value of amount due Rs.259,21,85,082/- (Rupees Two Hundred Fifty Nine Crores Twenty One Lakhs Eighty Five Thousand Eighty Two Only).

2. The rationale of the proposed Scheme of Amalgamation of Sagar Cements (R) Limited ("Transferor Company") with M/s Sagar Cements Limited (Transferee Company) and their Respective Shareholders ('the Scheme of Amalgamation') was

B. Venkata Prasad

read out and explained by me at the meeting and the question submitted to the said meeting was whether the Secured Creditors of the said Applicant Company approved the Scheme submitted to the meeting and agreed thereto.

3. Based on the consolidated report on result of voting through remote e-voting and e-voting at the Meeting, the Secured Creditors, were of the opinion that the Scheme should be approved and agreed to and passed the following resolution unanimously:-

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act,2013, the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s)thereof, for the time being in force], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s)thereof, for the time being in force]and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble Jurisdictional National Company Law Tribunal **("Hon'ble Tribunal"/"NCLT")** and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reasons whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of M/s. Sagar Cements (R) Limited ("Transferor Company") with M/s.Sagar Cements Limited (Transferee Company) and their Respective Shareholders, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable."*

The result of the voting upon the said question was as follows:

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**a. Votes in favour of the Resolution:**

| Manner of Voting | Number of Secured Creditors voted | No. of votes cast by Secured Creditors |
|---|---|---|
| Remote e-voting | 2 | 1866740004 |
| e-voting at the meeting (Insta Poll) | 1 | 725445078 |
| **Total** | **3** | **2592185082** |
| **% of the total number of votes in favour** | | **100%** |

The under mentioned Secured Creditors voted through remote e-voting/insta poll in favour of the proposed Scheme being adopted and carried into effect:

| Sr. No. | Name of the Secured Creditor | Amount Due (In Rs.) |
|---|---|---|
| 1 | State Bank of India(Remote e-voting) | 1157479446 |
| 2 | Axis Bank Limited(Remote e-voting) | 709260558 |
| 3 | HDFC Bank Limited(Through Insta Poll) | 725445078 |
| | **TOTAL** | **25912185082** |

b. None of the Secured Creditors voted against the proposed Scheme being adopted and carried into effect.

c. Secured Creditors present in proxy: Not Applicable

d. Invalid Votes: Nil

I am enclosing a copy of the Scheme, which was approved by the Secured Creditors, Newspaper publications published in "Business Standard" and "Nava Telangana" dated 8th and 7th November, 2021 respectively and Scrutinizer's Report.

Dated this 13th day of December, 2021

B.Venkata Prasad, Advocate
Appointed for meeting of
Secured Creditors
Address: H.No.7-1-22/12, Plot
No.302, Krish Central Apartments,
Leelanagar, Ameerpet,
Hyderabad-500 016

RISHIKA KUMAR, ADVOCATE
Mob: (+91) 7751849489
Email id: rishikakumar1996@gmail.com

## CONSOLIDATED SCRUTINIZERS' REPORT

To,

Shri. B.Venkata Prasad
Chairman appointed by the Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT), for the Meeting of the Secured Creditors of SAGAR CEMENTS LIMITED pursuant to Company Application No. CA(CAA)Merger & Amalgamation/37/2021.

Dear Sir,

Sub: **Consolidated Scrutinizer's Report on remote e-voting conducted pursuant to the order of Hon'ble the National Company Law Tribunal, Hyderabad Bench, at Hyderabad ("NCLT") dated 28th October, 2021, applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 as amended and e-voting at the NCLT convened meeting of the Secured Creditors of The SAGAR CEMENTS LIMITED held on Wednesday, December 08th, 2021 at 1:30 p.m.(IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').**

I, Rishika Kumar, Advocate, appointed as the Scrutinizer by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad (NCLT), vide order dated 28th October, 2021, in CA(CAA)Merger & Amalgamation/37/230/HDB/2021 for the purpose of scrutinizing e-voting of the Meeting of the Secured Creditors ("meeting") of SAGAR CEMENTS LIMITED held on Wednesday, December 08th, 2021 at 01:30 p.m.(IST) through Video Conference / Other Audio Visual means, on the resolution seeking approval of Secured Creditors of the company for the purposed the Scheme of Amalgamation of SAGAR CEMENTS (R) LIMITED (Transferor Company) with SAGAR CEMENTS LIMITED (Transferee Company) and their respective Shareholders ("the Scheme") in terms of the notice dated 05th November, 2021 convening the meeting (the "Resolution").

I hereby submit my report as under:

1. CUT – OFF DATE

Notices were issued to Secured Creditors whose names appeared in the books of the company as on 30th September, 2021 and voting rights were reckoned as on that date, being the cut-off date for the purpose of deciding the entitlements of Secured Creditors to vote through e-voting

2. E - VOTING

2.1 Agency:

The Company has engaged the services of KFin Technologies Private Limited (KFintech) as the authorised agency to provide e-voting platform, i.e., remote e-voting as well as e-voting at the meeting.

Address: Flat No.201, 2nd Floor, House No.6-3-904/14, Ashiah's Residency, Matha Nagar, Somajiguda, Hyderabad- 500082, Telangana

B. Venkata Prasad

1.

2.2 Attendance & Voting

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The said meeting was participated in voting and attended through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) by 3 Secured Creditors. The said 3 Secured Creditors had outstanding Secured liabilities amounting to Rs. 2,59,21,85,082 /- as on 30th September, 2021.

2.3 Remote E-Voting and E-Voting at the Meeting

- The Company provided remote e-voting facility to its Secured Creditors to vote on the Resolution, which commenced on 04th December, 2021 at 9.00 am and ends on 07th December, 2021 at 5:00 pm. Further the e-voting Facility was also made available to Secured Creditors who did not cast their vote through remote e-voting.

- Secured Creditors, who were present in the meeting through VC/OAVM facility and did not cast their vote on the resolution through remote e-voting and otherwise not barred from doing so, voted thorough e-voting systems available during the meeting.

2.4 Counting Process:

- After the closure of e-voting at the NCLT Convened meeting, the report on remote e-voting done prior to and e-voting during the NCLT Convened meeting were unblocked and counted. I have scrutinized and reviewed the remote e-voting prior to and e-voting during the NCLT Convened meeting and votes tendered therein based on the reports generated by the KFintech.

- Votes were reconciled with the records maintained by the company

Resolution

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble jurisdictional National Company Law Tribunal ("Hon'ble Tribunal"/ "NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reasons whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the

B. Venkat

Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of M/s. Sagar Cements (R) Limited ("Transferor Company") and M/s. Sagar Cements Limited (Transferee Company) and their Respective Shareholders, be and is hereby approved. 294

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable."

**2.5 Voting Results:**

**Consolidated Report on result of voting through remote e-voting and e-voting at the NCLT Convened Meeting by the Secured Creditors**

(i) Voted in favour of Resolution:

| Number of Secured Creditors voted | Number of Votes cast by them (outstanding amount INR) | % of Number votes cast by them (outstanding amount) |
|---|---|---|
| 3 | 2592185082 | 100 |

(ii) Voted against the resolution

| Number of Secured Creditors voted | Number of Votes cast by them (outstanding amount INR) | % of Number votes cast by them (outstanding amount) |
|---|---|---|
| Nil | Nil | NA |

(iii) **Invalid / Obtain Votes:**

| Number of Secured Creditors | Number of votes (outstanding amount) |
|---|---|
| Nil | Nil |

2.6 Based on the foregoing, the Resolution as Proposed in the Notice of the NCLT Convened Meeting stands duly approved unanimously on the date of the Meeting of Secured Creditors of the Company i.e., Wednesday 08th day of December 2021, thus satisfying the majority of Secured Creditors (including authorized Representative) exercising voting rights representing three-fourths in value held by them and voted in favor though e-voting.

2.7 A list of Secured Creditors who voted "FOR" "AGAINST" and those votes were declared invalid for the resolution is enclosed as **Annexure I**

2.8 The electronic data files pertaining to e-voting are being handed over to the Company for Safekeeping.

**Thanking you,**
**Yours faithfully**

Rishika Kumar Advocate

***Rishika Kumar***
***Advocate***
***Scrutinizer appointed by the Hon'ble NCLT Hyderabad Bench at Hyderabad***

Date: 09.12.2021
Place: Hyderabad

Annexure: I

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**LIST OF SECURED CREDITORS WHO VOTED "FOR"/ "AGAINST":**

1. List of Secured Creditors who voted **"For" (In Favour):**

| Sl.No | Name of Secured creditor | Amount Due |
|---|---|---|
| 1 | STATE BANK OF INDIA | 1157479446 |
| 2 | AXIS BANK LTD | 709260558 |
| 3 | HDFC BANK LTD | 725445078 |
| | **TOTAL** | **2592185082** |

2. List of Secured Creditors who voted **"Against": NIL**

Rishika Kumar (Advocate)

***Rishika Kumar***
***Advocate***
***Scrutinizer appointed by the Hon'ble NCLT Hyderabad Bench at Hyderabad***

Date: 09.12.2021
Place: Hyderabad

B.S Venkat Rao

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL: HYDERABAD BENCH AT HYDERABAD

C.A.(CAA) No.37/230/HDB/2021

In the matter of Companies Act, 2013
And
In the matter of Sections 230 R/W Sec.232 of the Companies Act 2013

M/s.Sagar Cements Limited
... 2nd Applicant/
Transferee Company

**REPORT OF RESULT OF SECURED CREDITORS MEETING BY CHAIRMAN**

Filed on : 15.12.2021.

Filed by : V. B. Raju

Counsels for the Applicants

Address: 106, Dhanunjaya Towers,
Road No.1, Banjara Hills,
Hyderabad-34,
email; vsrajuco@rediffmail.com
Cell No: 9849120947

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD

CA (CAA) No.37/230/HDB/2021

In the matter of the Companies Act, 2013
And
In the matter of M/s Sagar Cements (R) Limited
('Transferor Company)
And
M/s. Sagar Cements Limited
("Transferee Company)
And
Their respective Shareholders

M/s.Sagar Cements Limited
a company incorporated under the
Companies Act, 1956 and having its registered office at
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500033, Telangana, India, rep. by its Director
Dr.S.Anand Reddy ... 2nd Applicant / Transferee Company

**REPORT OF RESULT OF UNSECURED CREDITORS MEETING BY CHAIRMAN**

I, B.Venkata Prasad, Advocate, the person appointed by this Hon'ble Tribunal to act as Chairman of the meeting of the Unsecured Creditors of the above named company, summoned by notice served them upon them on 8th November, 2021 by email and courier, and also by advertisement dated 8th November, 2021 published in "Business Standard" (English Daily, Hyderabad Edition), on 8th November, 2021 and "Nava Telangana"(Telugu Daily, Hyderabad Edition) on 7th November, 2021, and held on 8th December, 2021 at 3.00 P.M through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"), do hereby report to this Hon'ble Tribunal as follows:-

1. 32 Unsecured Creditors of the said 2nd Applicant Company/Transferee Company attended the meeting either personally or through authorized representatives.
2. The rationale of the proposed Scheme of Amalgamation of Sagar Cements (R) Limited ("Transferor Company") with M/s Sagar Cements Limited (Transferee Company) and their Respective Shareholders ('the Scheme of Amalgamation') was read out and explained by me at the meeting and the question submitted to the said meeting was whether the Unsecured

B. Venkata

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Creditors of the said Applicant Company approved the Scheme submitted to the meeting and agreed thereto.

3. Based on the consolidated report on result of voting through remote e-voting and e-voting at the Meeting, the Unsecured Creditors, were of the opinion that the Scheme should be approved and agreed to and passed the following resolution with requisite majority:

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act,2013, the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s)thereof, for the time being in force], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s)thereof, for the time being in force]and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble jurisdictional National Company Law Tribunal **("Hon'ble Tribunal"/"NCLT")** and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reasons whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed toby the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of M/s.Sagar Cements (R) Limited ("Transferor Company") with M/s.Sagar Cements Limited (Transferee Company) and their Respective Shareholders, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable."*

The result of the voting upon the said question was as follows: 300

**a. Votes in favour of the Resolution:**

| Manner of Voting | Number of Unsecured Creditors voted | No. of votes cast by Unsecured Creditors |
|---|---|---|
| Remote e-voting | 19 | 401362667 |
| e-voting at the meeting(Insta Poll) | 10 | 61332672 |
| **Total** | 29 | 462695339 |
| **% of the total number of votes in favour** | | 100 |

The under mentioned Unsecured Creditors voted through remote e-voting in favour of the proposed Scheme being adopted and carried into effect:

| Sr. No. | Name of the Unsecured Creditor | Amount Due (In Rs.) |
|---|---|---|
| 1 | SRI BALAJI TRANSPORT | 8553143 |
| 2 | AXIS BANK LIMITED | 2369 |
| 3 | SAVYASACHI CONSTRUCTIONS PVT LTD | 8452038 |
| 4 | PARTHASARATHY TRANSPORTS PVT. LTD. | 35558394 |
| 5 | S ANAND REDDY | 302400 |
| 6 | PARTHASARATHY TRANSPORTS | 78354532 |
| 7 | PARTHASARATHY TRANSPORTS | 50151626 |
| 8 | PARTHASARATHY TRANSPORTS PVT. LTD. | 130395167 |
| 9 | SAGAR CEMENTS EDUCATIONAL SOCIETY | 919413 |
| 10 | BMM CEMENTS LIMITED (BMM POWER) | 32336120 |
| 11 | JOHN ERIC FERNANAD PASCAL CESAR BERTRAND | 96000 |
| 12 | PANCHAVATI POLYFIBRES LIMITED | 39773774 |
| 13 | S SREEKANTH REDDY | 302400 |
| 14 | SAGAR TRANSPORT | 4704 |
| 15 | PADMAVATHI VENKATESWARA TRANSPORT | 10872031 |
| 16 | S VANAJATHA | 302400 |
| 17 | SHRI DAKSHINESHWARI MAA POLYFABS LTD | 4520209 |
| 18 | CVS TECHNOLOGIES | 426688 |
| 19 | CHEMIX SPECIALTY GASES & EQUIPMENTS | 39259 |
| 20 | AASHRITHA FACILITIES MANAGEMENTS PRIVATE LIMITED | 29142 |
| 21 | SRI BALAJI TRANSPORT | 7546642 |
| 22 | G PANDU RANGA RAJU(HUF) | 49612 |

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| | | |
|---|---|---|
| 23 | JANARDHAN WELDING PRODUCTS | 62278 |
| 24 | KSSB CHEMICALS PVT LTD | 128620 |
| 25 | SAGAR TRANSPORT | 5854385 |
| 26 | SRI K.CHOWDER REDDY & CO., | 45691539 |
| 27 | SUHAIL IMAMUDDIN SHAIKH | 7554 |
| 28 | SREE LAKHSMI GANESH STEEL & CEMENT | 11461 |
| 29 | VEERABHADRA MINES AND MINERALS | 1951439 |
| | **TOTAL** | **462695339** |

*** Out of the 32 Unsecured Creditors, who attended the meeting, 6 persons did not participate in the e-voting process.**

b. None of the Unsecured Creditors voted against the proposed Scheme being adopted and carried into effect.

c. Unsecured Creditors present in proxy: Not Applicable

**d. Abstain/Invalid Votes:**

| Manner of Voting | Number of Unsecured Creditors voted | Amount Due (In Rs.) |
|---|---|---|
| Remote e-voting | 1 | 156274 |
| e-voting at the meeting (Insta Poll) | 0 | 0 |
| **Total** | 1 | **156274** |
| **% of the total number of votes against** | | **0.03%** |

The under mentioned Unsecured Creditor voted through remote e-voting who abstained from voting either for or against on the proposed Scheme being adopted and carried into effect:

| Sr. No. | Name of the Unsecured Creditor | Amount Due (In Rs.) |
|---|---|---|
| 1. | COTMAC ELECTRONICS PVT. LTD | 156274 |
| **Total** | | **156274** |

I am enclosing a copy of the Scheme, which was approved by the Unsecured Creditors, Newspaper publications published in "Business Standard" and "Nava Telangana" dated 8th and 7th November, 2021 respectively and Scrutinizer's Report.

Dated this 14th day of December, 2021

B. Venkata Prasad

B.Venkata Prasad, Advocate
Appointed for meeting of
UnsecuredCreditors
Address: H.No.7-1-22/12, Plot
No.302, Krish Central Apartments,
Leelanagar, Ameerpet,
Hyderabad-500 016

*RISHIKA KUMAR, ADVOCATE*
Mob: (+91) 7751849489
Email id: rishikakumar1996@gmail.com

## CONSOLIDATED SCRUTINIZERS' REPORT

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To,

Shri. B. Venkata Prasad
Chairman appointed by the Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT), for the Meeting of the Unsecured Creditors of SAGAR CEMENTS LIMITED pursuant to Company Application No. CA(CAA)Merger & Amalgamation/37/2021

Dear Sir,

Sub: **Consolidated Scrutinizer's Report on remote e-voting conducted pursuant to the order of Hon'ble the National Company Law Tribunal, Hyderabad Bench, at Hyderabad ("NCLT") dated 28th October, 2021, applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 as amended and e-voting at the NCLT convened meeting of the Unsecured Creditors of The SAGAR CEMENTS LIMITED held on Wednesday, December 08th, 2021 at 03:00 p.m.(IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').**

I, Rishika Kumar, Advocate, appointed as the Scrutinizer by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad (NCLT), vide order dated 28th October, 2021, in CA(CAA)Merger & Amalgamation/37/230/HDB/2021 for the purpose of scrutinizing e-voting of the Meeting of the Unsecured Creditors of SAGAR CEMENTS LIMITED held on Wednesday, December 08, 2021 at 03:00 p.m.(IST) through Video Conference / Other Audio Visual means, on the resolution seeking approval of Unsecured Creditors of the company for the purposed the Scheme of Amalgamation of SAGAR CEMENTS (R) LIMITED (Transferor Company) with SAGAR CEMENTS LIMITED (Transferee Company) and their respective Shareholders ("the Scheme") in terms of the notice dated 05th November, 2021 convening the meeting (the "Resolution")

I hereby submit my report as under:

### 1. CUT – OFF DATE

Notices were issued to Unsecured Creditors whose names appeared in the books of the company as on 30th September, 2021 and voting rights were reckoned as on that date, being the cut-off date for the purpose of deciding the entitlements of Unsecured Creditors to vote through e-voting

### 2. E – VOTING

2.1 Agency:

The Company has engaged the services of KFin Technologies Private Limited (KFintech) as the authorised agency to provide e-voting platform, i.e., remote e-voting as well as e-voting at the meeting.

Address: Flat No.201, 2nd Floor, House No.6-3-904/14, Ashish's Residency, Matha Nagar, Somajiguda, Hyderabad- 500082, Telangana

B. Venkata Prasad

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**2.2 Attendance & Voting**

The said meeting was participated in voting and attended through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) by 36 Unsecured Creditors. Out of the said 36 Unsecured Creditors, 32 attended in the Meeting through Video Conferencing / Other Audio-Visual means. The said 36 Unsecured Creditors had outstanding unsecured liabilities amounting to Rs. 46,33,11,295 /- as on 30th September, 2021.

**2.3 Remote E-Voting and E-Voting at the Meeting**

- The Company provided remote e-voting facility to its Unsecured Creditors to vote on the Resolution, which commenced at 04th December, 2021 at 9.00 am and ends on 07th December, 2021 at 5:00 pm. Further the e-voting Facility was also made available to Unsecured Creditors who did not cast their vote through remote e-voting.

- Unsecured Creditors, who were present in the meeting through VC/OAVM facility and did not cast their vote on the resolution through remote e-voting and otherwise not barred from doing so, voted thorough e-voting systems available during the Meeting.

**2.4 Counting Process:**

- After the closure of e-voting at the NCLT Convened meeting, the report on remote e-voting done prior to and e-voting during the NCLT Convened meeting were unblocked and counted. I have scrutinized and reviewed the remote e-voting prior to and e-voting during the NCLT Convened meeting and votes tendered therein based on the reports generated by the KFintech.

- Votes were reconciled with the records maintained by the company

**Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act,2013, the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the rules, circulars and notifications made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble jurisdictional National Company Law Tribunal ("Hon'ble Tribunal"/ "NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Parties to the Scheme, at any time and for any reasons whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may

B. Venkata Rao

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be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation of M/s. Sagar Cements (R) Limited ("Transferor Company") and M/s. Sagar Cements Limited (Transferee Company) and their Respective Shareholders, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary, to give effect to the preceding Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, at any time and for any reason whatsoever, which may be required and/or imposed by the Hon'ble Tribunal or its Appellate Authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, while giving effect to the Scheme, as the Board may deem fit and proper and delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable."

**2.5 Voting Results:**

**Consolidated Report on result of voting through remote e-voting and e-voting at the NCLT Convened Meeting by the Unsecured Creditors**

(i) Voted in favour of Resolution:

| Number of Unsecured Creditors voted | Number of Votes cast by them (outstanding amount INR) | % of Number votes cast by them (outstanding amount) |
|---|---|---|
| 29 | 462695339 | 100 |

(ii) Voted against the resolution

| Number of Unsecured Creditors voted | Number of Votes cast by them (outstanding amount INR) | % of Number votes cast by them (outstanding amount) |
|---|---|---|
| Nil | Nil | NA |

B. Venkat

(iii) **Invalid / Obtain Votes:**

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| Number of Unsecured Creditors | Number of votes (outstanding amount) |
|---|---|
| 1. | 156274 |

2.6 Based on the foregoing, the Resolution as Proposed in the Notice of the NCLT Convened Meeting stands duly approved unanimously on the date of the Meeting of Unsecured Creditors of the Company i.e., Wednesday 08th day of December 2021, thus satisfying the majority of Unsecured Creditors (including authorized Representative) exercising voting rights representing three-fourths in value held by them and voted in favor though e-voting.

2.7 A list of Unsecured Creditors who voted "FOR" "AGAINST" and those votes were declared invalid for the resolution is enclosed as **Annexure I**

2.8 The electronic data files pertaining to e-voting are being handed over to the Company for Safekeeping.

**Thanking you,**
**Yours faithfully**

Rishika Kumar (Advocate)

***Rishika Kumar***
***Advocate***
***Scrutinizer appointed by the Hon'ble NCLT Hyderabad Bench at Hyderabad***

Date: 09.12.2021
Place: Hyderabad

Annexure: I

LIST OF UNSECURED CREDITORS WHO VOTED "FOR"/"AGAINST": 304

1. List of Unsecured Creditors who voted "For" (In Favour):

| Sl.No | Name of Unsecured creditor | Amount Due |
|---|---|---|
| 1 | SRI BALAJI TRANSPORT | 8553143 |
| 2 | AXIS BANK LIMITED | 2369 |
| 3 | SAVYASACHI CONSTRUCTIONS PVT LTD | 8452038 |
| 4 | PARTHASARATHY TRANSPORTS PVT. LTD. | 35558394 |
| 5 | S ANAND REDDY | 302400 |
| 6 | PARTHASARATHY TRANSPORTS | 78354532 |
| 7 | PARTHASARATHY TRANSPORTS | 50151626 |
| 8 | PARTHASARATHY TRANSPORTS PVT. LTD. | 130395167 |
| 9 | SAGAR CEMENTS EDUCATIONAL SOCIETY | 919413 |
| 10 | BMM CEMENTS LIMITED (BMM POWER) | 32336120 |
| 11 | JOHN ERIC FERNANAD PASCAL CESAR BERTRAND | 96000 |
| 12 | PANCHAVATI POLYFIBRES LIMITED | 39773774 |
| 13 | S SREEKANTH REDDY | 302400 |
| 14 | SAGAR TRANSPORT | 4704 |
| 15 | PADMAVATHI VENKATESWARA TRANSPORT | 10872031 |
| 16 | S VANAJATHA | 302400 |
| 17 | SHRI DAKSHINESHWARI MAA POLYFABS LTD | 4520209 |
| 18 | CVS TECHNOLOGIES | 426688 |
| 19 | CHEMIX SPECIALTY GASES & EQUIPMENTS | 39259 |
| 20 | AASHRITHA FACILITIES MANAGEMENTS PRIVATE LIMITED | 29142 |
| 21 | SRI BALAJI TRANSPORT | 7546642 |
| 22 | G PANDU RANGA RAJU(HUF) | 49612 |
| 23 | JANARDHAN WELDING PRODUCTS | 62278 |
| 24 | KSSR CHEMICALS PVT LTD | 12 8620 |
| 25 | SAGAR TRANSPORT | 5854385 |
| 26 | SRI K.CHOWDER REDDY & CO., | 45691530 |
| 27 | SUHAIL IMAMUDDIN SHAIKH | 7554 |
| 2 8 | SREE LAKHSMI GANESH STEEL & CEMENT | 11461 |
| 29 | VEERABHADRA MINES AND MINERALS | 1951439 |
| TOTAL | | 462695339 |

B. Venkateshwarlu

2. List of Unsecured Creditors who voted "Against" : NIL

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Rishika Kumar (Advocate)

*Rishika Kumar*
*Advocate*
*Scrutinizer appointed by the Hon'ble NCLT Hyderabad Bench at Hyderabad*

Date: 09.12.2021
Place: Hyderabad

6.

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BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL: HYDERABAD BENCH AT HYDERABAD

C.A.(CAA) No.37/230/HDB/2021

In the matter of Companies Act, 2013
And
In the matter of Sections 230 R/W Sec.232 of the Companies Act 2013

M/s.Sagar Cements Limited
... 2nd Applicant/
Transferee Company

**REPORT OF RESULT OF UNSECURED CREDITORS MEETING BY CHAIRMAN**

Filed on : 15.12.2021.

Filed by : V. B. Raju

Counsels for the Applicants

Address: 106, Dhanunjaya Towers,
Road No.1, Banjara Hills,
Hyderabad-34,
email;
vsrajuco@rediffmail.com
Cell No: 9849120947

Annexure - 10

**Deloitte**
**Haskins & Sells**

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

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

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To
The Board of Directors
Sagar Cements Limited
Plot No. 111, Road No. 10
Jubilee Hills, Hyderabad - 500081
Telangana, India

**Independent Auditors' certificate certifying the accounting treatment contained in the Scheme of amalgamation of Sagar Cements (R) Limited (Transferor Company) with Sagar Cements Limited (Transferee Company)**

1. This certificate is issued in accordance with the terms of our engagement letter dated April 27, 2021.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Sagar Cements Limited (the "Transferee Company"/ the "Company"), have examined the proposed accounting treatment specified in Clause 20.1 of the scheme of amalgamation (herein after referred to as "the Scheme") between Sagar Cements (R) Limited (the "Transferor Company") with Sagar Cements Limited (the "Transferee Company") in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and rules framed thereunder with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act as amended, read with the rules made there under and other generally accepted accounting principles in India.

**Management's responsibility**

3. The responsibility for the preparation of the scheme, it's proprietary and its compliance with the relevant laws and regulations, including the Companies (Indian Accounting Standard) Rules, 2015 notified under Section 133 of the Act as amended and other generally accepted accounting principles in India as aforesaid, is that of the Boards of Directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

4. Our responsibility is only to examine and report whether the accounting treatment referred to in clause 20.1 of the scheme referred to above complies with Companies (Indian Accounting Standard) Rules, 2015 notified under Section 133 of the Act as amended and other Generally Accepted Accounting Principles in India. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

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

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further, our examination did not extend to any other parts and aspects of legal or proprietary nature in the aforesaid scheme.

**Opinion**

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the accounting treatment contained in Clause 20.1 of the scheme, is in compliance the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and rules framed thereunder with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Act and other generally accepted accounting principles in India.

8. For ease of references, Clause 20.1 of the scheme, duly authenticated on behalf of the company, is reproduced in Annexure I to this certificate and is initialed by us only for the purposes of identification.

**Restriction of Use**

9. This certificate is addressed to and provided to the Board of Directors of the company solely for the purpose of submission to the Registrar of Companies, Regional Director, National Company Law Tribunal and other regulatory authorities for above mentioned purpose as specified in Paragraph 2. This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

**Ganesh Balakrishnan**
(Partner)
(Membership No. 201193)
UDIN: 21201193AAAADR5179

Place: Hyderabad
Date: May 24, 2021

**Annexure 1**

**Relevant extract of the scheme of amalgamation between Sagar Cements (R) Limited and Sagar Cements Limitedin terms of the provisions of Sections 230 to 232 the Companies Act, 2013**

**20.Accounting Treatment**

**20.1 Accounting Treatment in the books of Transferee Company**

Upon the Scheme coming into effect from the Appointed Date, the Transferee Company shall account for the merger of the Transferor Company with the Transferee Company in accordance with "the Pooling of Interest method" as per Appendix C of Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Act, relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India as follows:

i. Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall account the transaction as per the applicable accounting principles prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. With effect from the appointed date, all the assets, liabilities and reserves if any of the Transferor Company vested in it pursuance to this scheme shall be recorded at their respective carrying amounts i.e. Book value and in the same form as appearing in the Consolidated Financial Statements of transferee company.

ii. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company.

iii. Any inter-company balance(s) if any between the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

iv. In case of any difference in any of the accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statement of the Transferee Company reflects the financial position on the basis of consistent accounting policies.

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v. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date".

For **Sagar Cements Limited**

**K Prasad**
**Chief Financial Officer**

Place: Hyderabad
Date: May 24,2021

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL: HYDERABAD BENCH AT HYDERABAD

C.P.(CAA) No. /230/HDB/2021

In the matter of Companies Act, 2013
And
In the matter of Sections 230 R/W Sec.232 of the Companies Act 2013

M/s.Sagar Cements (R)Limited
... 1st Petitioner/
Transferor Company

And

M/s Sagar Cements Limited
.. 2nd Petitioner/
Transferee Company

**JOINT PETITION FILED UNDER SECTIONS 230 AND 232 OF THE COMPANIES ACT, 2013**

Filed on : 16.12.2021.

Filed by : V. B. Raju

Counsels for the Petitioners

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