SAGAR CEMENTS (R) LIMITED

(Formerly known as BMM Cements Limited)

10th Annual Report

2016-17

BOARD OF DIRECTORS

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

COMPANY SECRETARY	Shri R.Soundararajan
CHIEF FINANCIAL OFFICER	Shri K.Prasad
AUDITORS	M/s.Deloitte Haskins & Sells Chartered Accountants (FR NO.008072S) 1-8-384 & 385, 3rd Floor, Gowra Grand S.P.Road, Begumpet, Secunderabad-500 003
COST AUDITORS	M/s.GNV & Associates Cost Accountants (FR No.000150) 8, I Floor, 4th Main Road, (Next to Indian Bank) Chamarajpet, Bangalore-560 018 Ph: 080-41157020
BANKERS	State Bank of India Corporation Bank Yes Bank Limited
DEBENTURE TRUSTEE	IDBI Trusteeship Services Limited Ground Floor, Asian Building, R.Kamani Marg, Ballard Estate, Mumbai - 400 001. Phone: 022 40807022
REGISTERED OFFICE	19/13, Old # 19/5, 19/6, 3rd Floor, Western Side Kareem Towers, S.R.T.Roard, (Cunningham Road) Bangalore-560 052. Karnataka Website: www.bmmcements.in, e-mail: info@bmmcements.in
CORPORATE IDENTITY NUMBER	U40300KA2007PLC043746
PLANT	Gudipadu Village and Post Yadaki Mandal, Ananthapur District Andhra Pradesh-515 408 Tel: 08558 200272

SAGAR CEMENTS (R) LIMITED

(Formerly known as BMM Cements Limited)
(A Wholly-owned subsidiary of Sagar Cements Limited)
CIN: U40300KA2007PLC043746

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of Sagar Cements (R) Limited will be held on Monday, the 18th September 2017 at 11.00 a.m. at the Registered Office of the company at 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an ordinary resolution.

   "Resolved that the audited Financial Statements of the Company for the year ended 31st March 2017 together with the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."

2. To appoint a director in the place of Dr.S.Anand Reddy (DIN: 00123870), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution.

   "Resolved that Dr.S.Anand Reddy (DIN: 00123870) who retires by rotation in accordance with section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. **Ratification of appointment of Auditors**

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

   "Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.008072S) as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2018, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors, be and is hereby ratified."

SPECIAL BUSINESS

4. **Ratification of remuneration payable to the Cost Auditors**

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

   "Resolved that pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors

Rules), 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the payment of remuneration of ₹ 75,000/- excluding reimbursement of actual travel and out of pocket expenses and applicable taxes to the Cost Auditors M/s.GNV & Associates., Cost Accountants, Bengaluru, (Firm Registration No.0000150), to conduct the audit of the cost records of the company for the financial year ending March 31, 2018."

By Order of the Board of Directors

Hyderabad
27th July, 2017

R.Soundararajan
Company Secretary

Registered Office:
19/13, Old No.19/5, 19/6, 3rd Floor,
Western Side, Kareem Towers,
SRT Road, (Cunningham Road),
Bengaluru – 560052

Notes:

1. The Explanatory Statement setting out material facts concerning the business under Items No.3 and 4 in the Notice is given in the Annexure-1, which forms part of this Notice.
2. The details required to be given in respect of reappointment of directors are given in the Annexure-2, which forms part of this Notice.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the said proxy need not be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the Registered Office of the company, duly completed and signed, not less than forty eight hours before the commencement of the meeting.
4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Members are requested to notify the company of the change in address, if any, quoting the registered folio number.
6. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the company during normal business hours (9.30 a.m. to 6.00 p.m.) on all working days except Saturdays and Sundays, up to the date of the Annual General Meeting of the Company.
7. Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company and the shareholders are requested to avail this facility.

By Order of the Board of Directors

Hyderabad
27th July, 2017

R.Soundararajan
Company Secretary

Registered Office: 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052

Annexure to the Notice of the 10th Annual General Meeting

Annexure 1

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

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 and 4 of the accompanying Notice dated 27th July 2017.

On Item No.3

The shareholders at their 9th Annual General Meeting held on 24th September 2016 had appointed M/s.Deloitte Haskins & Sells, (Firm Registration No.008072S), Chartered Accountants as statutory auditors of the company to hold office from the conclusion of the said AGM up to the conclusion of the14th AGM.

As per provisions of Section 139 (1) of the Act, the above appointment needs to be placed before the members at every Annual General Meeting for ratification.

Accordingly, a resolution seeking members ratification of the above said appointment for the period mentioned in the said resolution is submitted in Item No.3 of the Notice for approval of the members.

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

On Item No.4

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s.GNV & Associates as Cost Auditors for the Financial Year 2017-18 on a remuneration as detailed in the resolution submitted in Item No.4 of the Notice.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice ratifying the remuneration payable to the Cost Auditors as mentioned in the resolution for the financial year ending March 31, 2018.

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

By Order of the Board of Directors

Hyderabad
27th July, 2017

R.Soundararajan
Company Secretary

Registered Office:
19/13, Old No.19/5, 19/6, 3rd Floor,
Western Side, Kareem Towers,
SRT Road, (Cunningham Road),
Bengaluru – 560052

Annexure 2

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

Name of the Director	**Dr.S.Anand Reddy**
Date of birth	10.06.1964
Experience in specific functional areas	Corporate Executive
Qualification	M.B.B.S.
Directorships in other Companies	Sagar Cements Limited
	Sagar Power Limited
	Sagar Priya Housing and Industrial Enterprises Limited
	Panchavati Polyfibres Limited
	Super Hydro Electric Private Limited
	SPL Renewable Energy Private Limited
Membership of Committees of other Public Limited Companies	Sagar Cements Limited, Member, Stakeholders' Relationship Committee
No. of shares held in the company	1 (As nominee of Sagar Cements Limited, holding company)
Inter-se relationship with other Directors of the Company	Related to Shri S.Veera Reddy, Managing Director, Shri S.Sreekanth Reddy, Director and Ms.S.Sahithi, Executive Director

By Order of the Board of Directors

Hyderabad
27th July, 2017

R.Soundararajan
Company Secretary

Registered Office:
19/13, Old No.19/5, 19/6, 3rd Floor,
Western Side, Kareem Towers,
SRT Road, (Cunningham Road),
Bengaluru – 560052

Directors Report

To,

The Members,

Your Directors have pleasure in presenting their Tenth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

Financial and Business Performance

The Company's financial performance for the year ended March 31, 2017 is summarized below:

(₹ in Lakhs)

Particulars	**Year ended 31.03.2017**	Year ended 31.03.2016
Revenue	**34,313**	25,750
Earnings Before Interest, Depreciation, Taxation & Amortization (EBIDTA)	**5,146**	4,727
Finance Cost	**5,167**	5,431
Depreciation & Amortization	**1,795**	1,735
Profit Before Taxation (PBT)	**(1,817)**	(2,439)
Provision for current tax	**341**	207
Profit after Taxation (PAT)	**(1,476)**	(2,646)

Performance of the Company

The company has reported a net revenue of ₹ 34,313 lakhs as against ₹ 25,750 lakhs in the previous year. The EBITDA of the company stood at ₹ 5,146 lakhs for the year under review as against ₹ 4,727 lakhs for the previous year. The net loss stood at ₹ 1,476 lakhs for the year under review as against a net loss of ₹ 2,646 lakhs in the previous year.

During the year under review, the cement production was 6,69,342 MTs compared to 4,46,904 MTs in the previous year. Power generated by the company during the year under review at its power plant was 1,54,370 MWH as against 1,51,328 MWH in the previous year.

Dividend

In view of the absence of profit, your Directors have not recommended any dividend for the financial year ended 31st March, 2017.

Share Capital

There was no change in the equity share capital of your company.

During the year, the Company issued and allotted 4,30,00,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each at a premium of ₹ 30/- per Share against conversion of loan availed by it from its holding company.

Change of name of the Company

During the year, your company has changed its name from BMM Cements Limited to Sagar Cements (R) Limited.

Future outlook

The per capita consumption of cement being very low in India, there is a vast scope for growth in demand for cement on the long term. However, for a real growth to happen in the cement industry, there should be an overall growth in investments in the real estate and infrastructure sectors.

With the Government of Andhra Pradesh focussing more on the development of infrastructure, demand for cement is expected to see a significant growth and your company with the support of your holding company and its infrastructure is poised to grab the opportunities available in the scenario. However, till such time that the above scenario becomes a reality, your company may have to continue to face the problems like rising input and distribution costs and therefore, taking these into account, your Board is cautiously optimistic about the future outlook for your company.

Deposits

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

Particulars of loans, guarantees or investments under section 186

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

Internal Control Systems and their adequacy

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

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of Energy

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

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

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

iii. Usage of energy efficient illumination fixtures.

b) Technology Absorption:

Efforts made for technology absorption	Nil
Benefits derived	Nil
Expenditure on Research &Development, if any	Nil
Details of technology imported, if any	Nil
Year of import	Nil
Whether imported technology fully absorbed	Nil
Areas where absorption of imported technology has not taken place, if any	Nil

c) Foreign Exchange Earnings/ Outgo:

Earnings	Nil
Outgo	Nil

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr.S.Anand Reddy will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly, a resolution seeking the approval of the members for the said re-appointment has been incorporated in the notice of the annual general meeting of the company.

None of the other non-executive directors has had any pecuniary relationship or transactions with the company during the year under review, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

Independent Directors Declaration

The company has received the necessary declaration from each Independent Director in accordance with Section 149 (7) of the Companies Act 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act 2013.

Policy on Performance Evaluation

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

The policy for selection of Director’s and determining Director’s independence of the Company is attached herewith in Annexure I.

Remuneration Policy

The Board on the recommendation of its Nomination & Remuneration Committee has framed a remuneration policy for Directors, Key Managerial Personnel and other employees. The remuneration policy for Directors, Key Managerial Personnel and other employees is attached herewith in Annexure-2.

Meetings

During the year, 7 Board Meetings, 7 Audit Committee Meeting and 1 Nomination & Remuneration Committee Meeting were held.

Audit Committee:

The Audit Committee comprises of Shri O.Swaminatha Reddy, Shri K.Thanu Pillai and Shri V.H.Ramakrishnan as its members. All recommendations made by the Audit Committee were accepted by the Board.

Nomination & Remuneration Committee:

The Nomination & Remuneration Committee comprises of Shri K.Thanu Pillai, Shri O.Swaminatha Reddy and Shri V.H.Ramakrishnan as its members. All recommendations made by the Nomination & Remuneration Committee were accepted by the Board.

Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of the business. The particulars of contracts or arrangements with related parties under Section 188(1) of the Companies Act 2013 for the Financial Year 2016-17 have been furnished in the prescribed format, AOC-2 vide Annexure-3.

Code of Conduct

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

Vigil Mechanism:

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

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without any fear of punishment or unfair treatment. The mechanism also provides for adequate safeguards against victimization by Directors and provide for direct access to the Chairman of the Audit Committee in exceptional cases.

Risk Management

The Board has adopted risk management policy in which all risk that the organisation face such as strategic, financial, market, legal, regulatory and other risks have been identified and assessed and there is an adequate compliance system in place to address those risks.

Auditors and Auditors' Report

Statutory Auditors

M/s.Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S) were appointed as Statutory Auditors of the company by the shareholders at the 9th Annual General Meeting held on 24th September 2016, to hold office from the conclusion of the said Annual General Meeting till the conclusion of the 14th Annual General Meeting, subject to ratification of the said appointment by the shareholders at every Annual General Meeting. Accordingly, an appropriate proposal is being placed before the shareholders as part of the Notice of the ensuing Annual General Meeting seeking their required ratification.

Cost Auditors

M/s.GNV & Associates, Cost Auditors of the company have been appointed as Cost Auditors of the company for the financial year ending 31st March 2018. A resolution seeking member's ratification of the remuneration payable to the Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are filed with the appropriate authorities within the prescribed time.

Secretarial Auditors

The Board had appointed M/s B S S & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2016-17 and the Secretarial Audit Report submitted by them is given in the Annexure-4 to this report.

Extract of Annual Return

Extract of Annual Return of the Company is given in Annexure-5 to this report.

Subsidiaries, Joint Ventures or Associate Companies

While the company has a holding company (Sagar Cements Limited), it does not have any subsidiary, associate companies or joint ventures.

Particulars of Employees and related disclosures

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

Human resource development and Industrial Relations

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

Your company is organizing in-house training programmes wherever required for the employees concerned. Employees are also encouraged to participate in the seminars organized by the external agencies related to the areas of their operations.

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

Sexual Harassment

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

General

Your Directors state that no disclosures or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

Directors' Responsibility Statement

Your Directors state that:

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

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

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

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

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

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

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation received from the Holding Company, Government authorities, banks, financial institutions, customers, suppliers and members during the period under review. Your Director also wish to place on record their deep sense of appreciation for the services rendered by all its employees.

For and on behalf of the Board of Directors of

Place: Hyderabad
Date: 27-07-2017

O.Swaminatha Reddy
Chairman

Annexure-1

Policy for Selection of Directors and determining Director's independence

1. Introduction

1.1 Sagar Cements (R) Limited (Formerly known as BMM Cements Limited) (the "Company" or "SCRL") believes that an enlightened board of Directors ("Board") consciously creates a culture of leadership to provide a long term vision and policy approach to improve the quality of governance. Towards this, SCRL ensures constitution of a Board with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 SCRL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SCRL aims to have an optimum combination of executive Directors, non-executive Directors and Independent Directors.

2. Scope and Purpose:

2.1. This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company.

3. Terms and References:

Unless defined elsewhere in this Policy, the following terms shall have the following meanings:

3.1. "Director" means a director appointed to the Board of the Company.

3.2. "Nomination and Remuneration Committee" means the committee constituted by SCRL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

3.3. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy:

4.1. QUALIFICATIONS AND CRITERIA

The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee shall take into account many factors, including the following:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background;

- Standing in the profession;
- Personal and professional ethics, integrity and values; and
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a director's identification number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board meetings and wherever he is appointed as a Board committee ("Committee") member, the Committee meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and senior management personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreement and other relevant laws.

The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2. CRITERIA OF INDEPENDENCE

The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director —

- means a director other than a managing director or a whole-time director or a nominee director,—
  - (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

(f) who possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3. OTHER DIRECTORSHIPS / COMMITTEE MEMBERSHIPS

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

Annexure-2

Remuneration Policy for Directors, Key Managerial Personnel and other Employees

1. Executive Remuneration Policy

The remuneration policy of the Directors has been designed to keep pace with the business environment and market linked positioning. The Remuneration & Nomination Committee determines and recommends to the Board the compensation payable to Directors. Remuneration for the Executive Directors linked to the long term vision, medium term goals and annual business plan.

The company had set-up a Remuneration Committee in 2010 to review and recommend the quantum and payment of annual salary and commission and finalize service agreements and other employment conditions of the Executive Directors. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors. Further as per the guidelines of Companies Act 2013, the committee has been renamed as the Nomination and Remuneration Committee.

As on date, the Committee has 3 members: Shri O.Swaminatha Reddy, Chairman of the Committee, Shri K.Thanu Pillai and Shri V.H.Ramakrishnan (Non-Executive & Independent Directors) are the Members of the Committee.

2. Key Definitions

- "Board of Directors" or "Board", in relation to a company, means the collective body of the Directors of the company;
- The expression "senior management" means personnel of the company who are members of its core management team other than the Board of Directors. It comprises of all members of the management who are one level below the Executive Directors and include the Functional Heads.
- "Key managerial personnel", in relation to a company, means—
  - i. the Chief Executive Officer or the Managing Director or the Manager;
  - ii. the Company Secretary;
  - iii. the Whole-time Director;
  - iv. the Chief Financial Officer; and
  - v. such other officers as may be prescribed;
- Sagar Cements (R) Limited had the following individuals as directors as on date:

  A. Board of Directors

  Shri S.Veera Reddy
  Dr.S.Anand Reddy
  Shri S.Sreekanth Reddy
  Ms.S.Sahithi
  Shri.O.Swaminatha Reddy
  Shri.K.Thanu Pillai
  Shri.V.H.Ramakrishnan

B. Independent Directors

As per the guidelines of Companies Act, 2013, an Independent Director means a Non-Executive Director who:

means a director other than a managing director or a whole-time director or a nominee director,—

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

(f) who possesses appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

- As on March 31, 2017, the company's Board comprised of 7 (Seven) Directors. Of 7 (Seven) Directors, 1 (One) Director is Managing Director, 1 (One) Director is a Whole Time Director, 2 (two) are Non-Executive and 3 (Three) are Non- Executive and Independent Directors.

C. Key Managerial Personnel

i. Managing Director

ii. Chief Financial Officer

iii. Company Secretary

3. Key Principles of the Remuneration Policy

While designing compensation for Directors, Key managerial personnel, senior management and other employees, the following set of principles act as guiding factors:

1. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
2. Minimize complexity and ensure transparency;
3. Link to long term strategy as well as annual business performance of the company;
4. Promotes a culture of meritocracy and is linked to key performance and business drivers;
5. Reflective of line expertise, market competitiveness so as to attract the best talent.

5. Remuneration paid to Executive Directors

- The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.
- The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the company. The elements of the remuneration and limits are pursuant to the clause 178, 197 and Section V of the Companies Act 2013.

Remuneration Policy Structure

The remuneration structure for the Executive Directors would include the following components:

Basic Salary

- Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market are reviewed annually
- Will be subject to an annual increase as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors.

Perquisites and Allowances

A basket of Perquisites and Allowances would also form a part of the remuneration structure.

Contribution to Provident and Other funds

In addition to the above, the remuneration would also include:

- Contribution to Provident and Superannuation Funds
- Gratuity

Minimum Remuneration

If in any financial year during the tenure of the Executive Directors, the company has no profits or its profits are inadequate, they shall be entitled to minimum remuneration and perquisites not exceeding the limits specified Schedule V of the Companies Act, 2013.

6. Remuneration payable to Non-Executive & Independent Directors

The Non-Executive & Independent Directors of the company would be paid sitting fees as decided by the Board from time to time for attending board meeting/ committee meetings thereof. The amount of sitting fees will be as per the provisions of Companies Act, 2013.

7. Remuneration payable to Non-Executive Directors

The Remuneration to the Non-Executive Directors would be as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors. It would be pursuant to the provisions of sections 197,198 of the Companies Act 2013.

8. Remuneration Philosophy for Key managerial personnel, senior management & staff

The compensation for the Key managerial personnel, senior management and staff at Sagar Cements (R) Limited would be guided by the external competitiveness and internal parity.

Internally, performance ratings of all Employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine Pay increase. Pay increases will be calculated using a combination of individual performance and organizational performance.

Compensation can also be determined based on identified skill sets critical to success of the Company. It is determined as per management's review of market demand and supply.

8.1 Grade Structure

Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in our organization. Individual remuneration is determined within the appropriate grade and is based on following:

a) An individual's experience, skill, competencies and knowledge relevant to the job; and

b) An individual's performance and potential contribution to the company.

8.2 Workmen Compensation

Workmen are paid wages as per best industry practice and applicable laws. All remuneration components should be in accordance with applicable statutory compliances.

Annexure 3

Form No. AOC-2

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

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

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

Sagar Cements (R) Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2016-17.

2. Details of material contracts or arrangements or transactions at arm's length basis:

There were no material contracts or arrangements or transactions on related parties during the financial year 2016-17.

On behalf of the Board of Directors

Hyderabad
27th July, 2017

O.Swaminatha Reddy
Chairman

Annexure-4

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2017

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

To
The Members,
Sagar Cements (R) Limited,
(Formerly known as BMM Cements Limited),
19/13, Old # 19/5, 19/6, 3rd Floor,
Western Side Kareem Towers,
S.R.T.Road (Cunningham Road),
Bangalore, Karnataka 560052.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sagar Cements (R) Limited** (Formerly known as BMM Cements Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Sagar Cements (R) Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sagar Cements (R) Limited ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder;

2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period)**

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; **(Not applicable to the Company during the audit period)**

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

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

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

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

6) Employees Provident Fund and Miscellaneous Provisions Act, 1952

7) Employees State Insurance Act, 1948

8) Employers Liability Act, 1938

9) Environment Protection Act, 1986 and other environmental laws

10) Equal Remuneration Act, 1976

11) Factories Act, 1948

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

13) Maternity Benefits Act, 1961

14) Minimum Wages Act, 1948

15) Negotiable Instruments Act, 1881

16) Payment of Bonus Act, 1965

17) Payment of Gratuity Act, 1972

18) Payment of Wages Act, 1936 and other applicable labour laws

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

    i. Cement Cess Rules, 1993;

    ii. Cement (Quality Control) Order, 1995;

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

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

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

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

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

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

    ix. Mines Act, 1952 and Rules issued thereunder;

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

    xi. The Electricity Act, 2003;

    xii. National Tariff Policy;

    xiii. Essential Commodities Act, 1955;

    xiv. Explosives Act, 1884; and

    xv. Indian Boilers Act, 1923.

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

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same have been subject to review by internal auditors and other designated professionals.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The other changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice was given to all directors to schedule the Board Meetings and agenda with detailed notes there on were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous.

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

We further report that, during the audit period:

i. The Authorized Share Capital of the Company was increased and reclassified as follows:

   10,70,00,000 Equity Shares of ₹ 10/- each; and 4,30,00,000 Preference Shares of ₹ 10/- each aggregating to ₹ 150,00,00,000/-.

ii. The Company issued and allotted 4,30,00,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each at a premium of ₹ 30/- per Share on 26/10/2016.

iii. The name of the Company was changed from “BMM Cements Limited” to “Sagar Cements (R) Limited”.

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

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

Place: Hyderabad
Date: 10-05-2017

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

‘Annexure A’

To

The Members,
Sagar Cements (R) Limited,
(Formerly known as BMM Cements Limited)
19/13, Old # 19/5, 19/6, 3rd Floor,
Western Side Kareem Towers,
S.R.T.Road, (Cunningham Road)
Bangalore, Karnataka 560052.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place: Hyderabad
Date: 10-05-2017

Annexure-5

Form No. MGT -9

Extract of Annual Return as on the financial year ended March 31, 2017

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

I. Registration and other details:

i)	CIN	U40300KA2007PLC043746
ii)	Registration Date	30th August, 2007
iii)	Name of the Company	Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)
iv)	Category/Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company.
v)	Address of the Registered Office and contact details	No19/13, Old No.19/5, 19/6, 3rd floor, Western Side, Karim Towers, SRT Road, (Cunningham Road), Bangalore-560 052. Ph: 080-41157020 Email: info-r@sagarcements.in
vi)	Whether listed Company	Yes
vii)	Name , address and contact details of Registrar and Transfer Agent, if any (For NCD's)	Karvy Computershare (P) Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Hyderabad -500032 Tel : 040-67162222 Fax : 040-23001153 e-mail: einward.ris@karvy.com Toll Free No: 1800-3454-001 Website: karvycomputershare.com

II. Principal Business Activities of the Company:

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

Sl. No.	Name and Description of main products /services	NIC Code of the product /service	% of total turnover of the Company
I	Cement	3242	90.50%
II	Power	35102	9.50%

III. Particulars of Holding, Subsidiary and Associate Companies:

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

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

(i) Category-wise Shareholding

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

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

ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year (As on 01-04-2016)			No. of Shares held at the end of the year (As on 31-03-2017)			% change in share holding during the year
	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
Sagar Cements Limited	10,38,12,919	100	100%	10,38,12,919	100	100%	100
S.Veera Reddy (Nominee of Sagar Cements Ltd.)	1	-	-	1	-	-	-
S.Vanajatha (Nominee of Sagar Cements Ltd.)	1	-	-	1	-	-	-
Dr.S.Anand Reddy (Nominee of Sagar Cements Ltd.)	1	-	-	1	-	-	-
S.Aruna (Nominee of Sagar Cements Ltd.)	1	-	-	1	-	-	-
S.Sreekanth Reddy (Nominee of Sagar Cements Ltd.)	1	-	-	1	-	-	-
S.Rachana (Nominee of Sagar Cements Ltd.)	1	-	-	1	-	-	-

iii) Change in Shareholding of Promoters

	Shareholding at the beginning of the year (As on 01-04-2016)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	No. of shares	% of total shares of the Company	No. of shares	% Change during the year
At the beginning of the year	10,38,12,925	100.00	10,38,12,925	100.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	0	0	0	0
At the end of the year	10,38,12,925	100.00	10,38,12,925	100.00

Transfer during the Year

iv) Shareholding pattern of top ten-shareholders (Other than Directors, promoters and Holders of GDRs and ADRs – There are no shareholders otherthan the promoters.

v) Shareholding of Directors and Key Managerial personnel - Nil

V. Indebtedness

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

(₹ in Lakhs)

Particulars	Secured Loan excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
I. Indebtedness at the beginning of the financial year				
i. Principal Amount	23,916.32	23,065.52	335.57	47,317.41
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	175.00	-	-	175.00
Total (i+ii+iii)	**24,091.32**	**23,065.52**	**335.57**	**47,492.41**
Change in Indebtedness during the financial year			-	-
Addition	2,667.00	-	241.43	2,908.43
Reduction	3,225.00	23,034.52	-	26,259.52
Net Change	(558.00)	(23,034.52)	241.43	(23,351.09)
ii. Indebtedness at the end of the financial year				
i. Principal Amount	32,589.00	31.00	577.00	33,197.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4,270.00	-	-	4,270.00
Total (i+ii+iii)	**36,859.00**	**31.00**	**577.00**	**37,467.00**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lakhs)

Particulars	Managing Director	Whole-time Directors
Gross Salary		
a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	18.23
b) Value of perquisites u/s17(2) Income-tax Act,1961	Nil	-
c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	-
Stock Option	Nil	-
Sweat Equity	Nil	-
Commission as % of profit- others, specify	Nil	-
Others, please specify	Nil	-
Total (A)	Nil	18.23
Ceiling as per the Act	Nil	

B. Remuneration to other directors

Particulars of Remuneration		Name of the Director			Total
		Sri O. Swaminatha Reddy	Sri K.Thanu Pillai	Sri VH Ramakrishnan	
1.	**Independent Director**				
	Fee for attending Board/ Committee meetings	1,50,000	1,50,000	1,50,000	4,50,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	**1,50,000**	**1,50,000**	**1,50,000**	**4,50,000**
2.	**Non-Executive Director**				
	Fee for attending Board/ Committee meetings	-			-
	Commission	-			-
	Others	-			
	Total (2)	**-**	**-**	**-**	**-**
	Total (B) (1+2)	**1,50,000**	**1,50,000**	**1,50,000**	**4,50,000**
	Total Managerial Remuneration ^	-			
	Overall Ceiling as per the Act	-			

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

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

VII. Penalties/Punishment/Compounding of Offences:

There were no penalties, punishments or compounding of offences during the year ended March 31, 2017.

Deloitte Haskins & Sells
Chartered Accountants

1-8- 384 & 385, 3rd Floor, Gowra Grand
S P Road, Begumpet
Secunderabad - 500 003. India.
Tel: +91 (40) 6603 2600, Fax: +91 (40) 6603 2714

INDEPENDENT AUDITORS' REPORT

To The Members of

SAGAR CEMENTS (R) LIMITED (Formerly known as BMM CEMENTS LIMITED)

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SAGAR CEMENTS (R) LIMITED** (Formerly known as BMM Cements Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

    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 Cash Flow Statement and the 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 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 Ind AS 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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)

Secunderabad, May 29, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 (R) LIMITED** (Formerly known as BMM Cements Limited) ("the Company") as of March 31, 2017 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 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

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

Ganesh Balakrishnan
Partner
(Membership No.201193)

Secunderabad, May 29, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 3 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 lenders.

(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 (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, 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 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, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakhs)	Amount Unpaid (₹ in lakhs)
Sales Tax and VAT Laws	Sales tax and VAT	High Court of Telangana and Andhra Pradesh	2008-09 to 2010-11	80	80
Customs Act, 1962	Customs duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2012-13	112	112
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2012-13	15	15
Finance Act, 1994	Service Tax	CESTAT	2013-14	92	92

(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 banks and dues to debenture holders, except as under:

Particulars	Amount of default of repayment (₹ in lakhs)		Period of default (in days)
	Instalment	Interest	
State Bank of Hyderabad	1,350	-	1-21 days
Corporation Bank	-	56	1-5 days

(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 application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no material 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 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him 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-I 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)

Secunderabad, May 29, 2017

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Balance Sheet as at March 31, 2017

All amounts are in ₹ lakhs unless otherwise stated

Particulars	NOTE	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	43,675	44,441	43,932
(b) Capital work-in-progress		369	222	19
(c) Intangible assets	4	26	27	35
(d) Financial assets				
(i) Other financial assets	5	635	747	371
(e) Deferred tax assets (net)	25	2,463	2,113	2,319
(f) Advance income tax (net)	25	-	16	12
(g) Other non-current assets	6	68	130	96
Total Non-current assets (1)		**47,236**	**47,696**	**46,784**
Current assets				
(a) Inventories	7	3,739	2,483	367
(b) Financial assets				
(i) Trade receivables	8	3,449	3,493	1,072
(ii) Cash and cash equivalents	9	62	281	36
(iii) Other financial assets	5	238	83	2
(c) Other current assets	6	1,446	1,188	896
Total Current Assets (2)		**8,934**	**7,528**	**2,373**
Total Assets (1+2)		**56,170**	**55,224**	**49,157**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	10,381	10,381	10,381
(b) Other equity	11	(874)	(9,713)	(7,468)
Total Equity (1)		**9,507**	**668**	**2,913**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	27,344	36,170	11,524
(ii) Other financial liabilities	13	608	626	23,066
(b) Provisions	14	37	26	25
(c) Other non-current liabilities	16	50	50	-
Total Non-Current Liabilities (2)		**28,039**	**36,872**	**34,615**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	3,761	1,786	1,526
(ii) Trade payables	15	6,357	4,157	2,173
(iii) Other financial liabilities	13	5,754	10,524	6,832
(b) Provisions	14	52	41	29
(c) Other current liabilities	16	2,700	1,176	1,069
Total Current Liabilities (3)		**18,624**	**17,684**	**11,629**
Total Equity and Liabilities (1+2+3)		**56,170**	**55,224**	**49,157**
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

Ganesh Balakrishnan
Partner

Place : Hyderabad
Date : May 29, 2017

For and on Behalf of the Board of Directors

S.Veera Reddy
Managing Director

S.Sahithi
Executive Director

K.Prasad
Chief Financial Officer

R.Soundarajan
Company Secretary

Place : Hyderabad
Date : May 29, 2017

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Statement of profit and loss for the year ended March 31, 2017

All amounts are in ₹ lakhs unless otherwise stated

Particulars	NOTE	Year ended March 31, 2017	Year ended March 31, 2016
I Revenue from operations	17	34,268	24,614
II Other Income	18	45	1,136
III Total Revenue (I + II)		**34,313**	**25,750**
IV EXPENSES			
(a) Cost of materials consumed	19	3,096	3,172
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(162)	(601)
(c) Excise duty		4,351	2,908
(d) Employee benefit expenses	21	676	506
(e) Finance costs	22	5,167	5,431
(f) Depreciation and amortisation expense	23	1,795	1,736
(g) Other expenses	24	21,207	15,037
Total Expenses		**36,130**	**28,189**
V Loss before tax (III-IV)		**(1,817)**	**(2,439)**
VI Tax Expense			
(a) Current tax	25	-	-
(b) Deferred tax	25	(341)	207
Total Tax Expense		**(341)**	**207**
VII Loss after tax (V-VI)		**(1,476)**	**(2,646)**
VIII Other Comprehensive Income			
A. (i) Items that will not be reclassified to the profit or loss			
Remeasurements of the defined benefit plans		(29)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		10	-
		(19)	-
IX Total Comprehensive loss for the year (VII + VIII)		**(1,495)**	**(2,646)**
X Earnings Per Share (₹)			
(i) Basic	34	(1.57)	(2.55)
(ii) Diluted	34	(1.57)	(2.55)
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

Ganesh Balakrishnan
Partner

Place : Hyderabad
Date : May 29, 2017

For and on Behalf of the Board of Directors

S.Veera Reddy
Managing Director

S.Sahithi
Executive Director

K.Prasad
Chief Financial Officer

R.Soundarajan
Company Secretary

Place : Hyderabad
Date : May 29, 2017

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Statement of changes in equity for the year ended March 31, 2017

All amounts are in ₹ lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2015	10,381
Changes in equity share capital during the year	-
Balance as at March 31, 2016	10,381
Changes in equity share capital during the year	-
Balance as at March 31, 2017	10,381

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income	Total other equity
	Securities premium	Retained earnings	Deemed Capital contri-bution		
Balance at the April 1, 2015	**7,381**	**(14,849)**	**-**	**-**	**(7,468)**
Loss for the year	-	(2,646)	-	-	(2,646)
Deemed capital contribution during the year (Refer Note 39)	-	-	401	-	401
Balance as at March 31, 2016	**7,381**	**(17,495)**	**401**	**-**	**(9,713)**
Loss for the year	-	(1,476)	-	-	(1,476)
Deemed capital contribution during the year (Refer Note 39)	-	-	10,334	-	10,334
Other comprehensive income for the year (net of tax ₹ 10)	-	-	-	(19)	(19)
Balance as at March 31, 2017	**7,381**	**(18,971)**	**10,735**	**(19)**	**(874)**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Hyderabad
Date : May 29, 2017

For and on Behalf of the Board of Directors

S.Veera Reddy
Managing Director

S.Sahithi
Executive Director

K.Prasad
Chief Financial Officer

R.Soundarajan
Company Secretary

Place : Hyderabad
Date : May 29, 2017

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Cash Flow Statement for the year ended March 31, 2017

All amounts are in ₹ lakhs unless otherwise stated

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
A. Cash flow from operating activities				
Loss after tax for the year		**(1,476)**		**(2,646)**
<u>Adjustments for:</u>				
Tax expense	(341)		207	
Depreciation and amortisation expense	1,795		1,736	
Finance costs	5,167		5,431	
Interest income	(45)		(34)	
Gain on sale of property, plant and equipments (net)	-	6,576	(1,102)	6,238
Operating profit before working capital changes		5,100		3,592
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	44		(2,421)	
Inventories	(1,256)		(2,116)	
Other financial assets	403		(28)	
Other assets	(272)	(1,081)	(292)	(4,857)
Adjustments for increase / (decrease) in operating liabilites:				
Trade payables	2,200		1,984	
Other financial liabilities	242		335	
Provisions	(7)		12	
Other liabilities	1,524	3,959	106	2,437
Cash generated from operations		**7,978**		**1,172**
Less: Income Tax (paid) / refund		18		(4)
Net cash generated from operating activities		**7,996**		**1,168**
B. Cash flow from Investing activities				
Capital expenditure on property, plant and equipment including capital advances (net)	(1,100)		(2,510)	
Movement in bank balances not considered as cash and cash equivalents (net)	(458)	-		
Proceeds from disposal of property, plant and equipments	-		1,189	
Interest received	57		2	
Net cash used in investing activities		**(1,501)**		**(1,319)**

C. Cash flow from financing activites				
Proceeds from issue of debentures	-		15,000	
Loan from holding company	-		15,643	
Proceeds from non-current borrowings	2,681		2,500	
Repayment of non-current borrowings	(3,449)		(29,940)	
Repayment loans to related parties (net)	(4,982)		-	
Proceeds from current borrowings (net)	1,975		260	
Finance costs	(2,939)		(3,067)	
Net cash generated from/(used in) financing activities		**(6,714)**		**396**
Net increase in cash and cash equivalents (A+B+C)		**(219)**		**245**
Cash and cash equivalents at the beginning of the year		281		36
Cash and Cash equivalents at the end of the year		**62**		**281**

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ganesh Balakrishnan
Partner

Place : Hyderabad
Date : May 29, 2017

For and on Behalf of the Board of Directors

S.Veera Reddy
Managing Director

S.Sahithi
Executive Director

K.Prasad
Chief Financial Officer

R.Soundarajan
Company Secretary

Place : Hyderabad
Date : May 29, 2017

Notes to the financial statements for the year ended March 31, 2017

1. (a) Corporate Information:

Sagar Cements (R) Limited (formerly known as BMM Cements 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. With effect from March 28, 2017, the name of the Company has been changed to Sagar Cements (R) Limited.

(b) Significant accounting policies

(i) Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified 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, provisions of the Act to the extent notified.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2 for the details of first-time adoption exemptions availed by the Company and explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Basis of preparation and presentation

The 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.

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) Use of estimates

In the application of the accounting policies, which are described in note 1, the directors 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 intangible assets
- Assets and obligations relating to employee benefits
- Evaluation of recoverability of deferred tax assets
- Financial instruments
- Measurement of recoverable amounts of cash generating units
- Provisions and contingencies
- Expected credit losses

(iv) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Revenue includes excise duty.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

(v) 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.

(vi) Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached thereto and that the grants will be received.

(vii) 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 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 or loss. Past service cost is recognised in profit or 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

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.

(viii) Taxation

Income tax expense represents the sum of current tax and deferred tax.

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.

Current and deferred tax are recognised in profit or 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.

(ix) 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.

Properties 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 properties 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 or 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.

Electrical Equipment's (Plant & Machinery) - 15 years

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

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

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

(x) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately 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.

(xi) Inventories

Inventories are stated 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 and, where applicable, excise duty.

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

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. Excise duty is included in the value of finished goods.

(xii) 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.

(xiii) 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 recognized in the statement of profit and loss in the period in which they arise.

(xiv) 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 or 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 or loss are recognized immediately in profit or loss.

(B) Subsequent measurement:

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. The Company has made an irrevocable election for its investments which are classified as equity instruments 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 or loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or 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.

(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 or loss if such gain or loss would have otherwise been recognized in profit or 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 or loss.

(xv) 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 or 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 or 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.

(xvi) 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.

(xvii) Provisions

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

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

(xviii) 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.

(xix) Recent accounting pronouncements

a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017. However, Ind AS 102 'Shared based payment' is not applicable to the company.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

All amounts are in ₹ lakhs unless otherwise stated

2 Transition to Ind AS

A First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

Classification of debt instruments

The company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

B Reconciliation between previous GAAP and Ind AS

(i) Reconciliation of equity as previously reported and Ind AS

Particulars	Note	As at March 31, 2016	As at April 1, 2015
Equity (shareholders' funds) under previous GAAP		**304**	2,920
Recognition of borrowings using effective interest rate	1	(5)	(7)
Fair value of corporate guarantee	2	397	-
Mines restoration expense	3	(1)	-
Provision for expected credit loss	5	(27)	-
Equity under Ind AS GAAP		**668**	**2,913**

(ii) Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Note	As at March 31, 2016
Net loss for the year under previous GAAP		(2,617)
Recognition of borrowings using effective interest rate	1	3
Fair value of corporate guarantee	2	(4)
Mines restoration cost	3	(1)
Provision for expected credit loss	4	(27)

All amounts are in ₹ lakhs unless otherwise stated

Total effect of transition to Ind AS		**(29)**
Loss for the year as per Ind AS		**(2,646)**
Other comprehensive income for the year		-
Total comprehensive income under Ind AS		**(2,646)**

(iii) There are no material adjustments to the statement of cash flows as reported under Previous GAAP.

Notes:

1 Under Indian GAAP, transaction costs incurred in connection with borrowings are charged upfront to the statement of profit and loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to statement of profit and loss using the effective interest method. This has resulted in decrease in equity to ₹ 7 as on April 1, 2015; ₹ 5 as on March 31, 2016 and a decrease in loss for the year ended March 31, 2016 by ₹ 3.

2 The company has received at concessional interest rate due to corporate guarantee given by the holding company. The gain in interest rate has been recognised in other equity as deemed capital contribution. This has resulted in an increase in equity by ₹ 397 as at March 31, 2016 and a decrease in loss by ₹ 4 for the year ended March 31, 2016.

3 Under Ind AS, the cost of an item of property, plant and equipment includes the initial estimate of the costs of restoring the site. Accordingly, the cost has been estimated and liability is set up for restoring the mining land. The cost is depreciated over the period of usage of the land. This has resulted in decrease in equity and an increase in loss by ₹ 1 as at and for the year ended March 31, 2016.

4 Under previous GAAP, the company made provision for receivables on a case to case basis. Under Ind AS, the company has adopted a provision matrix to determine impairment loss on its trade receivables. This has resulted in decrease in equity and increase in loss by ₹ 27 as at and for the year ended March 31, 2016.

5 Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gain and losses are required to be presented in other comprehensive income.

6 Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. The change does not affect total equity as at April 1, 2015 and March 31, 2016, loss before tax or total loss for the year ended March 31, 2016.

All amounts are in ₹ lakhs unless otherwise stated

3. Property, plant and equipment

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Land - freehold	2,720	2,720	1,407
Land restoration	46	49	-
Buildings	3,274	2,838	2,780
Plant & machinery	34,776	35,999	37,155
Furniture and fittings	40	45	16
Office and other equipment	489	345	129
Electrical installations	2,023	2,203	2,387
Computers	52	74	47
Vehicles	255	168	11
Total	**43,675**	**44,441**	**43,932**

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Notes to the financial statements for the year ended March 31 2017

All amounts are in ₹ lakhs unless otherwise stated

For the year 2016-17

Description of assets	Land – free hold	Land restoration	Buildings	Plant & machinery	Furniture and fittings	Office and other equipment	Electrical insta-llations	Computers	Vehicles	Total
I. Gross block										
Opening balance	**2,720**	**50**	**3,108**	**42,276**	**53**	**405**	**2,829**	**158**	**173**	**51,772**
Additions	-	-	541	157	1	200	-	4	118	1,021
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**2,720**	**50**	**3,649**	**42,433**	**54**	**605**	**2,829**	**162**	**291**	**52,793**
II. Accumulated depreciation for the year										
Opening balance	**-**	**1**	**270**	**6,277**	**8**	**60**	**626**	**84**	**5**	**7,331**
Depreciation expense for the year	-	3	105	1,380	6	56	180	26	31	1,787
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**-**	**4**	**375**	**7,657**	**14**	**116**	**806**	**110**	**36**	**9,118**
Net block (I-II)										
Carrying value as at March 31, 2017	**2,720**	**46**	**3,274**	**34,776**	**40**	**489**	**2,023**	**52**	**255**	**43,675**
Carrying value as at March 31, 2016	2,720	49	2,838	35,999	45	345	2,203	74	168	44,441

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Notes to the financial statements for the year ended March 31 2017

All amounts are in ₹ lakhs unless otherwise stated

For the year 2015-16

Description of assets	Land – free hold	Land restoration	Buildings	Plant & machinery	Furniture and fittings	Office and other equipment	Electrical insta-llations	Computers	Vehicles	Total
I. Gross block										
Opening balance	**1,407**	**-**	**2,961**	**42,033**	**21**	**163**	**2,829**	**109**	**16**	**49,539**
Additions	1,394	50	147	243	32	242	-	49	167	2,324
Disposals	81	-	-	-	-	-	-	-	10	91
Balance as at March 31, 2016	**2,720**	**50**	**3,108**	**42,276**	**53**	**405**	**2,829**	**158**	**173**	**51,772**
II. Accumulated depreciation for the year										
Opening balance	**-**	**-**	**181**	**4,878**	**5**	**34**	**442**	**62**	**5**	**5,607**
Depreciation expense for the year	-	1	89	1,399	3	26	184	22	4	1,728
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	4	4
Balance as at March 31, 2016	**-**	**1**	**270**	**6,277**	**8**	**60**	**626**	**84**	**5**	**7,331**
Net block (I-II)										
Carrying value as at March 31, 2016	**2,720**	**49**	**2,838**	**35,999**	**45**	**345**	**2,203**	**74**	**168**	**44,441**
Carrying value as at April 1, 2015	1,407	-	2,780	37,155	16	129	2,387	47	11	43,932

All amounts are in ₹ lakhs unless otherwise stated

4. Intangible assets

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Computer software	26	27	35
Total	**26**	**27**	**35**

For the year 2016-17

Description of asset	Computer software
I. Gross block	
Opening balance	**132**
Additions	7
Balance as at March 31, 2017	**139**
II. Accumulated amortisation for the year	
Opening balance	**105**
Amortisation expense for the year	8
Balance as at March 31, 2017	**113**
Net block (I-II)	
Carrying value as at March 31, 2017	**26**
Carrying value as at March 31, 2016	27

For the year 2015-16

Description of asset	Computer software
I. Gross block	
Opening balance	**132**
Additions	-
Disposals	-
Balance as at March 31, 2016	**132**
II. Accumulated amortisation for the year	
Opening balance	**97**
Amortisation expense for the year	8
Balance as at March 31, 2016	**105**
Net block (I-II)	
Carrying value as at March 31, 2016	**27**
Carrying value as at March 31, 2015	35

Sagar Cements (R) Limited (Formerly known as BMM Cements Limited)

Notes to the financial statements for the year ended March 31 2017

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
5.	**Other financial assets**			
	Non-current			
	(a) Security deposits	55	350	371
	(b) Financial benefit due to guarantee by Sagar Cements Limited	301	397	-
	(c) Balances held as margin money deposit against borrowings	279	-	-
	Total	**635**	**747**	**371**
	Current			
	(a) Security deposits	39	49	-
	(b) Advances to employees	-	2	2
	(c) Interest accrued but not due	20	32	-
	(d) Balances held as margin money deposit against borrowings	179	-	-
	Total	**238**	**83**	**2**
	Total other financial assets	**873**	**830**	**373**
6.	**Other assets (Considered good)**			
	Non-current			
	(a) Capital advances	54	130	96
	(b) Prepaid expenses	14	-	-
	Total	**68**	**130**	**96**
	Current			
	(a) Advances to suppliers	394	422	42
	(b) Advances to related parties	60	60	-
	(c) Prepaid expenses	54	76	11
	(d) Balances with government authorities (other than income taxes)	165	136	74
	(e) Incentives receivable from government	727	454	769
	(f) Others	46	40	-
	Total	**1,446**	**1,188**	**896**
	Total other assets	**1,514**	**1,318**	**992**

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
7.	**Inventories (at lower of cost and net realisable value)**			
	(a) Raw materials	313	155	126
	(b) Coal	1,019	524	-
	(c) Work-in-progress	471	383	5
	(d) Stores and spares	496	347	175
	(e) Packing materials	87	107	14
	(f) Finished goods	344	270	47
	Total	**2,730**	**1,786**	**367**
	Goods-in-transit:			
	Coal	1,009	697	-
	Total	**1,009**	**697**	**-**
	Total inventories	**3,739**	**2,483**	**367**
8.	**Trade receivables**			
	(a) Secured, considered good	397	40	1,047
	(b) Unsecured, considered good	3,052	3,453	25
	(c) Unsecured, doubtful	27	27	-
	Sub-total	**3,476**	**3,520**	**1,072**
	Less: Allowance for credit losses	(27)	(27)	-
	Total trade receivables	**3,449**	**3,493**	**1,072**

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as as per the provision matrix. The ageing of the receivables is as follows:

Age of receivables

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Within the credit period	2,175	1,670	516
1-30 days past due	522	899	274
31-60 days past due	230	553	109
61-90 days past due	366	367	152
91-180 days past due	174	31	21
More than 180 days past due	9	-	-
Total	**3,476**	**3,520**	**1,072**

All amounts are in ₹ lakhs unless otherwise stated

	Movement in expected credit loss allowance			
	Particulars	**2016-17**	**2015-16**	
	Balance at the beginning of the year	27	-	
	Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	27	
	Balance at the end of the year	**27**	**27**	

Note	**Particulars**	**As at March, 31 2017**	**As at March, 31 2016**	**As at April 1, 2015**
9.	**Cash and cash equivalents**			
	(a) Cash in hand	2	2	21
	(b) Deposits with banks			
	Maturity less than 12 months	-	238	-
	(c) Balances with banks	60	41	15
	Total cash and cash equivalents	**62**	**281**	**36**

Note	**Particulars**	**As at March 31, 2017**		**As at March 31, 2016**		**As at April 1, 2015**	
		No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
10	**Equity share capital**						
	Authorised:						
	Equity shares of ₹ 10 each	132,000,000	13,200	132,000,000	13,200	132,000,000	13,200
	Total	**132,000,000**	**13,200**	**132,000,000**	**13,200**	**132,000,000**	**13,200**
	Issued, subscribed and fully paid up:						
	Equity shares of ₹ 10 each	103,812,925	10,381	103,812,925	10,381	103,812,925	10,381
	Total	**103,812,925**	**10,381**	**103,812,925**	**10,381**	**103,812,925**	**10,381**

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

Particulars	**As at March 31, 2017**		**As at March 31, 2016**		**As at April 1, 2015**	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Opening balance	103,812,925	10,381	103,812,925	10,381	103,812,925	10,381
Shares issued during the year	-	-	-	-	-	-
Closing balance	**103,812,925**	**10,381**	**103,812,925**	**10,381**	**103,812,925**	**10,381**

All amounts are in ₹ lakhs unless otherwise stated

(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 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) Shares held by the holding company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
1. Singhi Holding Private Limited	-	-	-	-	102,052,705	98%
2. Sagar Cements Limited (Refer Note 36)	103,812,925	100%	103,812,925	100%	-	-

Note	Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
11.	**Other equity**			
	Securities premium account	7,381	7,381	7,381
	Deemed capital contribution	10,735	401	-
	Retained earnings	(18,990)	(17,495)	(14,849)
	Total other equity	**(874)**	**(9,713)**	**(7,468)**

Movement in other equity is as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Securities premium account	**7,381**	**7,381**
Deemed capital contribution		
Opening balance	401	-
Deemed capital contribution during the year (refer note 39)	10,334	401
	10,735	**401**
Retained Earnings		
Opening balance	(17,495)	(14,849)
(i) Profit for the year	(1,476)	(2,646)
(ii) Other comprehensive income	(19)	-
Closing balance	(18,990)	(17,495)
Total	**(874)**	**(9,713)**

All amounts are in ₹ lakhs unless otherwise stated

Nature of reserves:

(a) Securities premium account
Amounts received on issue of shares in excess of the par value has been classified as securities premium.

(b) Retained earnings
Retained earnings comprises of prior years undistributed earnings after taxes.

(c) Deemed capital contribution
Deemed capital contribution represents the gain on account of corporate guarantee given by Sagar Cements Limited and the equity portion of the 8% cumulative redeemable preference shares.

Note	Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
12.	**Non current borrowings***			
	A. Secured borrowings - at amortised cost			
	(a) Debentures (refer note (ii) below)	15,000	15,000	-
	(b) Term loans			
	Loans from banks (refer note (i) below)	5,138	3,970	11,524
	(c) Loans from related parties	-	17,200	-
	(d) 8% Cumulative redeemable preference shares (refer note 39)	7,206	-	-
	Total secured borrowings	**27,344**	**36,170**	**11,524**

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

Note (i):

As at March 31, 2017:

Bank	Loan outstanding	Terms of repayment	Rate of interest
State bank of Hyderabad (refer note 1 below)	1,300	Repayable in 5 quarterly installments	12.75%
Corporation Bank (refer note 1 below)	170	Repayable in 1 quarterly installment	16.25%
Yes Bank Limited (refer note 2 below)	5,000	Repayable in 32 quarterly installments	12.35%
Vehicle loans (Refer note 5 below)	152	Repayable in 35-36 quarterly installments	9.15% - 10.50%
Less: Current maturities of non-current borrowings	(1,484)		
	5,138		

All amounts are in ₹ lakhs unless otherwise stated

As at March 31, 2016:

	Bank	Loan outstanding	Terms of repayment	Rate of interest
	State bank of Hyderabad (refer note 1 below)	3,780	Repayable in 9 quarterly installments	12.75%
	Corporation Bank (refer note 1 below)	850	Repayable in 5 quarterly installment	16%
	Yes Bank Limited (refer note 2 below)	2,500	Repayable in 32 quarterly installments	12.35%
	Less: Current maturities of non-current borrowings	(3,160)		
		3,970		

As at April 1, 2015:

	Bank	Loan outstanding	Terms of repayment	Rate of interest
	State bank of Hyderabad (refer note 1 below)	6,877	Repayable in 14 quarterly installments	12.75%
	Corporation Bank (refer note 1 below)	1,587	Repayable in 9 quarterly installment	13.15%
	Bank of India (refer note 3 below)	4,563	Repayable in 14 quarterly installments	12.50% - 12.75%
	Union Bank of India (refer note 3 below)	4,312	Repayable in 14 quarterly installments	12.75%
	Karnataka Bank (refer note 4 below)	995	Repayable in 10 quarterly installments	13.00%
	Less: Current maturities of non-current borrowings	(6,810)		
		11,524		

Note 1: The term loan from the bank is secured by 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.

Note 2: The term loan from the bank is secured by pari-passu charge on the property, plant and equipment i.e., land, buildings, plant & machinery and mining equipment owned by 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 - Director and Shri S. Sreekanth Reddy - Director.

Note 3: The loan is secured by first pari-passu charge on all moveable property, plant and equipment both present and future and second charge on the entire current assets of the company.

Note 4: The loan is secured by first pari-passu charge on project land of 200 acres and building.

All amounts are in ₹ lakhs unless otherwise stated

Note 5: 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. A total of 1,500 NCD's have been issued of ₹ 10 each aggregating to ₹ 15,000. Interest payable on the NCD's is @11.60%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly installments of ₹ 1,154 starting from May 2019 onwards. The NCD's are secured by 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, Director and Shri S.Sreekanth Reddy, Director. The Holding Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Current borrowings			
Measured at amortised cost			
Loans repayable on demand			
Cash credit facilities	3,761	1,786	1,526
Total secured borrowings	**3,761**	**1,786**	**1,526**

Note: The Company has availed cash credit facilities from Banks. This facility is secured against stocks of raw materials, finished goods, trade receivables, stores and spares, present and future, and by second charge on property, plant and equipment of the company and are guaranteed by Dr. S. Anand Reddy, Director and Shri S. Sreekanth Reddy, Director. The loans are repayable on demand and carries interest @ 12.50 to 15.10% p.a.

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
13.	**Other financial liabilities**			
	Non current			
	(a) Security deposits received	577	336	-
	(b) Loan from others	31	290	23,066
	Total	**608**	**626**	**23,066**
	Current			
	(a) Current maturities of non-current borrowings	1,484	3,160	6,810
	(b) Interest accrued but not due	4,270	2,382	22
	(c) Advance from related party	-	4,982	-
	Total	**5,754**	**10,524**	**6,832**
	Total other financial liabilities	**6,362**	**11,150**	**29,898**
14.	**Provisions**			
	(a) Gratuity (refer note 30)	37	26	25
	(b) Compensated absences	52	41	29
	Total provisions	**89**	**67**	**54**
	Non - current			
	Gratuity	37	26	25
	Total	**37**	**26**	**25**
	Current			
	Compensated absences	52	41	29
	Total	**52**	**41**	**29**
	Total provisions	**89**	**67**	**54**
15.	**Trade payables**			
	(a) Due to micro, small and medium enterprises (refer note 27)	-	-	-
	(b) Due to others	6,357	4,157	2,173
	Total trade payables	**6,357**	**4,157**	**2,173**
16.	**Other liabilities**			
	Non current			
	Liability for land restoration	50	50	-
	Total	**50**	**50**	**-**
	Current			
	(a) Advance from customers	2,197	819	722
	(b) Statutory remittances	503	357	347
	Total	**2,700**	**1,176**	**1,069**
	Total other liabilities	**2,750**	**1,226**	**1,069**

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
17.	**Revenue from operations**		
	(a) Revenue from		
	- Sale of cement	30,479	19,750
	- Sale of power	3,208	4,636
	(b) Other operating income		
	- Incentives received from government	562	200
	- Sale of scrap	13	26
	- Insurance claims	6	2
	Total revenue from operations	**34,268**	**24,614**
18.	**Other income**		
	(a) Interest income		
	- On financial assets carried at amortised cost	45	34
	(b) Profit on sale of property, plant and equipment (net of loss on assets sold / scrapped / written off)	-	1,102
	Total other income	**45**	**1,136**
19.	**Cost of materials consumed**		
	Opening stock	155	126
	Add: Purchases	3,254	3,201
	Less: Closing stock	313	155
	Total cost of materials consumed	**3,096**	**3,172**
	Details of materials consumed		
	Limestone	1,576	2,299
	Laterite	787	288
	Iron-ore sludge	183	248
	Gypsum	384	269
	Fly ash	166	68
	Total	**3,096**	**3,172**

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
20.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the beginning of the year:		
	Finished goods	270	47
	Work-in-progress	383	5
		653	**52**
	Inventories at the end of the year:		
	Finished goods	344	270
	Work-in-progress	471	383
		815	**653**
	Net increase	**(162)**	**(601)**
21.	**Employee benefit expenses**		
	(a) Salaries and wages, including bonus	621	411
	(b) Contribution to provident and other funds	9	31
	(c) Staff welfare expenses	46	64
	Total employee benefit expenses	**676**	**506**
22.	**Finance cost**		
	(a) Interest expense	4,719	4,931
	(b) Dividend on 8% cumulative redeemable preference shares	340	-
	(c) Other borrowing cost	108	500
	Total finance cost	**5,167**	**5,431**
23.	**Depreciation and amortisation expense**		
	(a) Depreciation of property, plant and equipment	1,787	1,728
	(b) Amortisation of Intangible assets	8	8
	Total depreciation and amortisation expense	**1,795**	**1,736**
24.	**Other expenses**		
	Coal consumed	11,020	8,021
	Power	329	351
	Packing material consumed	1,077	690
	Stores and spares consumed	1,250	783
	Repairs and maintenance		
	- Buildings	8	23

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	- Plant and machinery	729	604
	- Others	154	173
	Freight and forwarding expenses	5,021	2,831
	Selling expenses	868	685
	Expected credit loss allowance	-	27
	Rent	46	22
	Insurance	40	36
	Rates and taxes	135	121
	Payment to Auditors (refer note below)	16	11
	Travelling expenses	76	64
	Security services	103	109
	Donations and contributions	2	1
	Legal and professional	295	445
	Administrative expenses	25	28
	Printing and stationery	4	3
	Communication	10	7
	Directors sitting fees	5	4
	Miscellaneous expenses	17	11
	Increase of excise duty on inventory	17	16
	Captive consumption of cement	(40)	(29)
	Total other expenses	**21,207**	**15,037**
	Note		
	Auditors' remuneration (net of service tax) comprises:		
	For audit	10	8
	For limited review	4	-
	For other services	2	3
	Total	**16**	**11**

All amounts are in ₹ lakhs unless otherwise stated

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
25.	**(a) Income tax recognized in the statement of profit & loss**		
	Current tax:		
	In respect of the current year	-	-
	In respect of prior years	-	-
	Total current tax	**-**	**-**
	Deferred tax		
	In respect of current year origination and reversal of temporary differences	(341)	207
	Total deferred tax	**(341)**	**207**
	Total tax expense	**(341)**	**207**
	(b) The company has book losses and hence no current tax provision is made.		
	(c) Movements in deferred tax assets and liabilities for the year 2016-17:		

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	(Recognised) / Reversed through other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	(6,021)	(735)	-	-	(6,756)
Provision for employee benefits	13	23	10	(1)	45
Carry forward business losses and depreciation	8,121	1,053	-	-	9,174
Total	**2,113**	**341**	**10**	**(1)**	**2,463**
Property, plant and equipment and intangible assets	(5,548)	(473)	-	-	(6,021)
Provision for employee benefits	19	(6)	-	-	13
Carry forward business losses and depreciation	7,848	273	-	-	8,121
Other adjustments	-	(1)	-	1	-
Total	**2,319**	**(207)**	**-**	**1**	**2,113**

All amounts are in ₹ lakhs unless otherwise stated

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Advance income tax	-	16	12

26. 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 2017	As at March, 31 2016	As at April 1, 2015
Direct tax related	15	-	-
Indirect tax related	498	542	242

(ii) The Finance Minister of Government of India had announced in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts the company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 311 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. The matter is pending before the Department. Credit will be taken again once the issue is settled in favour of the company.

B) Capital commitments:

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance)	158	-	-

27. 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. There were no dues payable to Micro, Small and Medium Enterprises as on March 31, 2017, March 31, 2016 and April 1, 2015.

All amounts are in ₹ lakhs unless otherwise stated

28. 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)(xiv) 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 12 and 13 offset by cash and bank balances) and total equity of the Company.

The company is not subject to any externally imposed capital requirements.

The Company's management reviews the capital structure of the company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

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

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Debt (refer note below)	36,890	43,788	42,948
Cash and bank balances	62	281	36
Net debt	36,828	43,507	42,912
Total equity	9,507	668	2,913
Net debt to equity ratio	3.87	65.13	14.73

Note: Debt is defined as current and non-current borrowings (including accrued interest), as described in notes 12 and 13.

All amounts are in ₹ lakhs unless otherwise stated

B) Financial Assets and Liabilities:

The carrying value of financial instruments by categories as of balance sheet date is as follows:

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Financial Assets			
Measured at amortised cost			
(i) Trade receivables	3,449	3,493	1,072
(ii) Cash and cash equivalents	62	281	36
(iii) Other Financial Assets	873	830	373
Total	**4,384**	**4,604**	**1,481**
Financial Liabilities			
Measured at amortised cost			
(i) Borrowings	31,105	37,956	13,050
(ii) Trade payables	6,357	4,157	2,173
(iii) Other financial liabilities	6,362	11,150	29,898
Total	**43,824**	**53,263**	**45,121**

There are no financial assets and financial liabilities measured at fair value through profit and loss and fair value through other comprehensive income.

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 analyze 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.

(i) 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.

(a) 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.

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, 2017 would decrease/increase by ₹ 126 (for the year ended March 31, 2016: decrease/increase by ₹ 118). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

(ii) 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 at any time during the year.

All amounts are in ₹ lakhs unless otherwise stated

D) Liquidity Risk Management:

Financing Facilities:

Particulars	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Secured bills acceptance facility, reviewed annually			
- amount used	1,004	514	-
- amount unused	496	486	1,000
Total	**1,500**	**1,000**	**1,000**
Secured bank overdraft facility reviewed annually and payable at call			
- amount used	3,761	1,786	1,526
- amount unused	239	2,214	2,474
Total	**4,000**	**4,000**	**4,000**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement			
- amount used	6,622	7,130	18,334
- amount unused	-	-	-
Total	**6,622**	**7,130**	**18,334**

E) The Company does not have any derivative instruments or unhedged foreign currency exposures as on the balance sheet date.

29. 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		
	March, 31 2017	March, 31 2016	April 1, 2015	March, 31 2017	March, 31 2016	April 1, 2015
Sagar Cements Limited	**8,969**	22,442	-	**22,540**	27,666	-

30. Employee Benefits:

(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 ₹ 35 (2015-16 ₹ 27).

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 ₹ 0.36 lakhs.

(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, 2017 and March 31, 2016:

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

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a)	Mortality table (LIC) (ultimate)	IALM 2006-08 (ultimate)	IALM 2006-08 (ultimate)
b)	Discounting rate (p.a.)	7.90%	7.90%
c)	Expected rate of return on plan asset	8.25%	-
d)	Expected average remaining working lives of employees	21.54 years	22 years
e)	Rate of escalation in salary	5%	5%
f)	Attrition rate	4%	4%

All amounts are in ₹ lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	6	6
Interest expense	2	1
Acquisition adjustment/ New policy/ Premium adjustment	1	-
Expected return on plant assets	(1)	-
Defined benefit cost included in profit and loss	**8**	**7**
Re-measurement effects recognized in **Other Comprehensive Income (OCI)**		
Actuarial (gain)/loss	**29**	**-**
Components of defined benefit costs recognized in OCI	29	-

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

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
Present value of funded defined benefit obligations	63	26
Fair value of plan assets	(26)	-
Net liability arising from defined benefit obligation	37	26

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

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
Defined benefit obligation at the beginning of the year	26	19
Current service cost	6	6
Interest cost	2	1
Re-measurements - Actuarial (gain) / loss	29	-
Benefits paid	-	-
Defined benefit obligation at the year end	**63**	**26**

All amounts are in ₹ lakhs unless otherwise stated

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

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening fair value of the plan assets	-	-
Expected return on plan assets	1	-
Contributions from the employer	26	-
Acquisition Adjustment/ New Policy/ Premium Expenses	(1)	-
Fair value of plan asset at the year end	**26**	**-**

(f) Sensitivity Analysis:

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

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	(57)	70	(24)	28
Effect of 1% change in assumed salary rate	69	(60)	27	(24)
Effect of 1% change in assumed attrition rate	(57)	70	(24)	28

Compensated absences to employees is considered a short term liability which is determined in accordance with the provision of Ind AS 19- employee benefits.

31. 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. 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 that are used interchangeably amongst segments are not allocated to reportable segments.

All amounts are in ₹ lakhs unless otherwise stated

Particulars	Business segments				Total	
	Manufacturing of cement		Power generation			
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	**31,060**	**19,978**	**6,160**	**6,782**	**37,220**	**26,760**
Less: Inter-segment revenue	-	-	2,952	2,146	2,952	2,146
Total	**31,060**	**19,978**	**3,208**	**4,636**	**34,268**	**24,614**
Segment result	**3,163**	**924**	**142**	**932**	**3,305**	**1,856**
Unallocable expenses (net)					5,122	4,295
Loss before taxes					**(1,817)**	**(2,439)**
Tax expense					341	(207)
Loss for the year					**(1,476)**	**(2,646)**

Particulars	Business segments				Total	
	Manufacturing of cement		Power generation			
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Segment assets	37,048	38,295	16,381	14,564	53,429	52,859
Un-allocable assets					2,741	2,365
Total assets					**56,170**	**55,224**
Segment liabilities	14,375	12,859	3,461	2,367	17,836	15,226
Unallocable liabilities					-	-
Total liabilities					**17,836**	**15,226**

All amounts are in ₹ lakhs unless otherwise stated

32. Related Party Disclosures

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

Holding Company

Sagar Cements Limited (with effect from August 27, 2015)
Singhi Holdings Private Limited (upto August 26, 2015)

Key managerial personnel (KMP)

Parties	Relationship
Shri S.Veera Reddy	Managing Director
Dr. S.Anand Reddy	Director
Shri Dinesh Kumar Singhi (upto August 26, 2015)	Chairman
Smt.Snehalatha Singhi (upto August 26, 2015)	Director
Mr. K. Narsimha Murthy (upto August 26, 2015)	Whole Time Director
Shri Swaminatha Reddy Onteddu	Chairman
Shri Kolappa Thanu Pillai	Director
Shri Valliyur Hariharan Ramakrishnan	Director
Ms. S. Sahithi	Executive Director
Shri S. Sreekanth Reddy	Director
Shri K. Prasad	Chief Financial Officer
Shri R. Soundararajan	Company Secretary

Enterprise where KMP along with their relatives exercise significant influence

Parties	Relationship
Panchavati Polyfibres Limited (with effect from August 27, 2015)	KMP along with their relatives hold 65.45% shares of the Company
Sagar Power Limited (with effect from August 27, 2015)	KMP along with their relatives hold 62.50% shares of the Company
RV Consulting Services Private Limited (with effect from August 27, 2015)	KMP along with their relatives hold 90.25% shares of the Company
Sagarsoft (India) Limited (with effect from August 27, 2015)	KMP along with their relatives hold 51.61% shares of the Company

All amounts are in ₹ lakhs unless otherwise stated

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

Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Sale of cement:		
Sagar Cements Limited	-	1,796
Purchase of raw material:		
Panchavati Polyfibres Limited	1,104	477
Purchase of Scrap		
Sagar Cements Limited	10	79
Sale of Scrap		
Sagar Cements Limited	-	25
Sale of Power		
Sagar Cements Limited	1,749	-
Services received		
Sagar Cements Limited – Manpower Supply and branding charges	360	211
Sagarsoft (India) Limited	14	-
Total	**374**	**211**
Interest expense		
Sagar Cements Limited	2,005	1,669
Reimbursement of expenses		
Sagarsoft (India) Limited	-	17
RV Consulting Services Private Limited	-	440
Total	**-**	**457**
Loans and advances taken		
Sagar Cements Limited – Loan	-	15,643
Sagar Cements Limited - Advances	5,329	5,259
Singhi Holdings Private Limited	-	5,375
Dinesh Kumar Singhi	-	2,654
Snehalatha Singhi	-	6
Total	**5,329**	**28,937**
Advances repaid		
Sagar Cements Limited	6,799	5,000
Advances given		
RV Consulting Services Private Limited	40	-
Allotment of equity shares		
Sagar Cements Limited	-	7,818

All amounts are in ₹ lakhs unless otherwise stated

Conversion of loan to 8% cumulative redeemable preference shares (CRPS)		
Sagar Cements Limited (₹ 6,866 – 8% Cumulative redeemable preference shares and ₹ 10,334 - Deemed cost of equity)	17,200	

Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Corporate guarantees taken		
Sagar Cements Limited	-	29,900

Compensation to key managerial personnel is as follows:

Nature of Transactions	Party Name	For the year ended	
		March 31, 2017	March 31, 2016
Short-term benefits	Directors	18	5
Other benefits	Directors	5	4

Outstanding Balances	As at March, 31 2017	As at March, 31 2016	As at April 1, 2015
Advances and deposits			
RV Consulting Services Private Limited	50	10	-
Sagar Power Limited	60	-	-
Total	**110**	**10**	**-**
Borrowings			
Sagar Cements Limited	-	22,182	-
8% Cumulative Redeemable Preference Shares			
Sagar Cements Limited	7,206	-	-
Advance received			
Sagar Cements Limited	1,763	259	-
Trade Payables			
Sagarsoft (India) Limited	1	1	-
Panchavati Polyfibres Limited	196	62	-
Total	**197**	**63**	-
Interest accrued but not due			
Sagar Cements Limited	3,614	2,203	-
Corporate guarantees taken			
Sagar Cements Limited	29,900	29,900	-
Short term benefits payable to key managerial personnel	18	5	

All amounts are in ₹ lakhs unless otherwise stated

33. Operating Lease

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. The operating lease expense recognized in the Statement of Profit and Loss amounting to ₹ 46 (Year ended March 31, 2016 – ₹ 22).

34. Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Loss for the year (₹ in Lakhs)	(1,476)	(2,646)
Add: Dividend attributable to 8% cumulative redeemable preference shares (₹ in Lakhs)	(149)	-
Loss for the year attributable to equity shareholders (₹ in Lakhs)	(1,625)	(2,646)
Number of equity shares outstanding at the end of the year	103,812,925	103,812,925
Earnings per share		
Basic (in ₹)	(1.57)	(2.55)
Diluted (in ₹)	(1.57)	(2.55)

35. Depreciation

Depreciation on tangible property, plant and equipment assets have been charged under straight line method by adopting the useful life of the property, plant and equipment assets in alignment with schedule II to the Companies Act, 2013.

Based on componentization of property, plant and equipment, net block as on April 1, 2015, in case of those items which have been identified to have different useful life, independent to the original asset to which it has been associated with, have been depreciated based on the useful life relevant to it. This has resulted into additional depreciation claim to the tune of ₹ 29 during the financial year 2015-16.

36. Acquisition of the Company

The Company was acquired by Sagar Cements Limited ('SCL') on August 27, 2015 pursuant to a Share Purchase Agreement dated November 5, 2014 entered into amongst the Company, SCL and the Company's erstwhile promoters The Company has become a wholly owned subsidiary of SCL with effect from August 27, 2015.

37. The Company has certain mining leases granted by the Government for limestone mining in Gudipadu Village, Tadipatri upto December 14, 2035.

38. Disclosure on Specified Bank Notes

During the year, the company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308(E) dated March

All amounts are in ₹ lakhs unless otherwise stated

30, 2017. Details of SBN's and other notes held and transacted during the period November 8, 2016 to December 30, 2016 is provided in the table below:

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	284,111	284,111
(+) Withdrawal from Bank accounts	-	260,000	260,000
(+) Permitted receipts	-	251,331	251,331
(-) Permitted payments	-	404,689	404,689
(-) Amount deposited in Banks	-	218,000	218,000
Closing cash in hand as on December 30, 2016	-	172,753	172,753

39. 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, 2016: ₹ 401 and April 1, 2015: Nil) has been accounted as deemed capital contribution.

During the year 2016-17, the outstanding loan balance of ₹ 17,200 taken from the holding company, Sagar Cements Limited was converted to 43,000,000 8% cumulative redeemable preference shares of ₹ 10 each at a premium of ₹ 30 each. The tenure of the preference shares is 10 years and are cumulative 8% dividend per annum. 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 by the holding company. Accordingly, ₹ 6,866 is accounted as the fair value of the preference shares and ₹ 10,334 is accounted as deemed capital contribution on conversion of loan to preference shares at concessional rate. As at March 31, 2017 ₹ 340 has been accounted as interest expense on the preference shares and added to the cost of preference shares.

For and on Behalf of the Board of Directors

S.Veera Reddy
Managing Director

S.Sahithi
Executive Director

Place : Hyderabad
Date : May 29, 2017

K.Prasad
Chief Financial Officer

R.Soundarajan
Company Secretary

SAGAR CEMENTS (R) LIMITED

(Formerly known as BMM Cements Limited)

Registered Office: 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers,
SRT Road, (Cunningham Road), Bengaluru – 560052
CIN: U40300KA2007PLC043746)
Tel.No.: +91-80-41157020, Website: www.sagarcements-r.in

ATTENDANCE SLIP

10th ANNUAL GENERAL MEETING ON MONDAY, THE 18TH SEPTEMBER, 2017 AT 11.00 A.M. at 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052

Folio No.	DP ID No.	Client ID No.

I/We hereby record my/our present at the 10th Annual General Meeting of the Company at 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052 at 11.00 a.m. on Monday the 18th September, 2017.

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

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

SAGAR CEMENTS (R) LIMITED

(Formerly known as BMM Cements Limited)

Registered Office: 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers,
SRT Road, (Cunningham Road), Bengaluru – 560052
CIN: U40300KA2007PLC043746)
Tel.No.: +91-80-41157020, Website: www.sagarcements-r.in

PROXY FORM

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

Name of the Member (s) : ______________________________
Registered address : ______________________________
E-mail Id : ______________________________
Folio No. / Client ID No. : ______________ DP ID No.______________

I/We, being the member(s) holding: ______________ shares of BMM Cements Limited, hereby appoint:

1. Name: ______________________ Email ID: ______________
   Address: ______________________________
   ______________________ Signature ______________ or failing him;
2. Name: ______________________ Email ID: ______________
   Address: ______________________________
   ______________________ Signature ______________ or failing him;
3. Name: ______________________ Email ID: ______________
   Address: ______________________________
   ______________________ Signature ______________

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the Company to be held on Monday, the 18th September, 2017 at 11.00 a.m. at 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Description of Resolution
1	Adoption of Audited Financial Statements, Report of Directors and Auditors for the year ended 31st March, 2017
2	Appointment of Dr.S.Anand Reddy,, who retires by rotation and is eligible for re-appointment as Director
3	Ratification of appointment of Auditors
4	Ratification of remuneration payable to the cost auditors

Please affix Re.1/- Revenue Stamp

Signed this _____ day of _______________ 2017

Signature of shareholder _________________ Signature of Proxyholder(s) ________________

Note: 1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 19/13, Old No.19/5, 19/6, 3rd Floor, Western Side, Kareem Towers, SRT Road, (Cunningham Road), Bengaluru – 560052, not less than 48 hours before the commencement of the Meeting.

2. A proxy need not be a member of the Company.

3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 10th Annual General Meeting of the Company.