SAGAR CEMENTS LIMITED

Ref:SCL:SEC:2024-25

3rd June 2024

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

Symbol: SAGCEM
Series: EQ

The Secretary
Bombay Stock Exchange Limited
P J Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 502090

Symbol	**SAGCEM**
Series	**DEBT**
ISIN	**INE433R07016**

Dear Sirs,

Sub: Submission of Integrated Annual Report under Regulation 34 (1) of the SEBI (LODR) Regulations 2015

...

Pursuant to Regulation 34 (1) read with other applicable Regulations of SEBI (LODR) Regulations, 2015, we are submitting herewith our Integrated Annual Report for the year ended 31st March 2024, which, inter-alia contains the Notice of the 43rd Annual General Meeting of the company to be held on Wednesday, the 26th June, 2024. Copies of this Report are being mailed to our shareholders and others entitled to receive it and the same is also available on our website viz., www.sagarcements.in.

Thanking you

Yours faithfully
For Sagar Cements Limited

J.Raja Reddy
Company Secretary
M.No.A31113

Encl: a.a.

43rd Integrated Annual Report 2023-24

Responsible Growth. Sustainable Progress.

SAGAR CEMENT

Sagar Cements Limited (SGC) is dedicated to its ESG vision 2030, with a focus on achieving a positive transformation in its environmental, social, and governance practices.

A robust ESG performance has become integral to SGC's strategic framework, emphasising its commitment to adhering to a responsible and forward-thinking business approach.

Responsible growth

We have consistently upheld our pledge to double our capacity every decade.

Surpassing expectations, we increased our capacity from 5.8 MTPA in FY2019 to 10.50 MTPA by FY2023, well ahead of time. In the second half of FY2020, we initiated the construction of two cement plants within our subsidiaries – SCMPL (in Madhya Pradesh) and Jajpur Cements (in Odisha) – resulting in our consolidated capacity getting a boost. Alongside expansion in scale, the new facilities have strengthened our geographical diversification strategy.

We are aware of the social impact of growth and have been ensuring the well-being of our neighbourhood communities and biodiversity, while catering to the needs of our growing economy.

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Sustainable progress

Our goal is to achieve a 20 MTPA capacity by 2035, through organic and inorganic growth. We prioritise sustainability by design, emphasising material conservation, resource and energy efficiency, and reduced water consumption, right from the design stage through operations.

We aim to support the development of the infrastructure needed to roll out sustainable products. To achieve this, we are focusing on increasing usage of green power, adopting electric trucks and wheel loaders, and utilising alternative fuels to streamline operating costs.

We are committed to seamlessly integrating sustainability goals into our business model, while progressing on our Environmental, Social, and Governance (ESG) ambitions. This commitment ensures lasting benefits for our stakeholders, the environment, people, and the business.

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Inside this Report

Welcome to our Integrated Report and Accounts 2023-24

Navigation icons
- Reference to another page in the report
- Reference to further reading online
- Return to last viewed page
- Return to contents page
- Feedback and queries

We value your feedback that would enable us to disclose relevant information in an effective and transparent manner.

For any suggestions and queries, please write to us at **feedback.ir@sagarcements.in**

About the Report

Our Integrated Report provides a holistic overview of both our financial and non-financial achievements throughout the previous fiscal year. It offers a thorough analysis of our strategy, governance, as well as potential risks and opportunities.

Reporting period

This report covers the disclosures that have happened during the financial year FY2024 (1st April 2023 to 31st March 2024) unless mentioned otherwise.

Scope and boundaries

This report presents information on Sagar Cements Limited (SGC), its subsidiaries, and its integrated and grinding units located in various parts of India. It also covers information on the multiple resources and external services that the Company is dependent on, to create value and impact.

Our capitals

To be a future-ready organisation that creates long-term value in the field of digital transformation, we are highly dependent on different kinds of capital. The various forms of capital available to us (inputs), their efficient utilisation (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes), are all deeply interconnected.

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Target readers

This integrated report is intended to address the information requirements of key stakeholders, including investors, customers, regulators, employees and the society at large.

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Assurance

The standalone and consolidated financial statements provided in the report are audited by Deloitte Haskins & Sells, the statutory auditors of the Company.

The non-financial data in this report have been reviewed by TUV India Private Limited.

The members of the Board along with the senior management at Sagar Cements Limited have reviewed the information presented in this integrated report for consistency, clarity and fairness of the messaging. The report is approved for public release on 3rd June, 2024.

Frameworks, guidelines and standards

The report is prepared on the lines of the Integrated Reporting framework published by the Value Reporting Foundation. The Value Reporting Foundation is a global non-profit organisation comprising International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB). Non-financial disclosures are made with reference to GRI Standards 2021.

The report complies with the following requirements:

- The Companies Act, 2013
- The Indian Accounting Standards
- The Securities and Exchange Board of India (SEBI) Regulations 2015
- The Secretarial Standards issued by the Institute of Company Secretaries of India

The report presents contributions to:

- Global Cement and Concrete Association (GCCA) Sustainability Charter
- United Nations Sustainable Development Goals (UN SDGs)

FY2024 performance highlights

Financial

Revenue
₹ 2,50,461 Lakhs
↑ 12%

EBITDA
₹ 24,591 Lakhs
↑ 61%

PAT
₹ (5,205) Lakhs

Non-financial

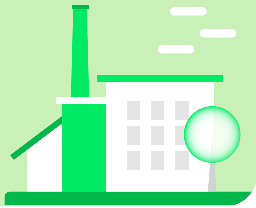
Thermal Substitution Rate (TSR)
3.3%

Waste recycled
13,99,196 MT

Lives impacted through CSR activities
107,865

Specific water consumption
155 Ltr/Tonnes

Reduction in GHG emissions
3.28%



Capacity utilisation
53%

Fatalities
One

ESG Vision 2030

Positive transformation of
the environment around us; the people amidst us; and the conduct among us.

ESG focus areas

- Energy
- Emissions
- Water
- Waste management
- Resources
- Biodiversity

- Employee well-being
- Health and safety
- Suppliers and partners
- Communities

- Corporate governance practices
- Transparency and stakeholder engagement
- Ethics and compliances

ESG targets and performance

Environment

	KPI	Progress (FY2024)	2030 Target	2050 Target	Status
Energy	Increase of green electricity ratio	11.41%	50%	100%	On target
	Increase of Thermal Substitution Rate (TSR)	3.3%	25%	50%	On target
	Reduction of specific electricity consumption	74.71 Kwh/tonnes	70 kwh/tonnes	65 kwh/tonnes	On target
	Reduction of specific heat consumption	726 kcal	700 kcal	685 kcal	On target
	Increase use of zero emission vehicles	2 EV trucks at Bayyavaram 4 EV loaders at Mattampally and Dachepalli	30%	100%	On target
Biodiversity	Developing a diversified and native plantation across five hectares per year, with ~10,000 saplings	36,580	The target is year-wise	The target is year-wise	On target
Waste	Install waste heat recovery systems	14.1 MW			On target
	Use cementitious waste materials and reduce clinker factor	74%	64%	50%	On target
Water	1. Adopt water free technologies 2. Recycle reject water and reuse in water chain	3x water positive	Become 10x water positive		On target
		Fresh water consumption decreased by 7.7%	Reduce the freshwater consumption further by 20% from the consumption levels of FY 2022		On target
Resources	Clinker factor	74%	64%	50%	On target
	Increased use of decarbonated raw materials	0.3%	2%	5%	On target

Achieved On target

ESG targets and performance

Environment

Emissions

KPI	Progress (FY2024)	2030 Target	2050 Target	Status
			Achieve Net Zero	On target
		Align with SBTi 1.5°-scenario		On target
		Initiate CCS/CCU to achieve net zero emissions		On target
Scope 1 reduction (Gross)	632	527 Kg CO_2/MT		On target
Scope 2 reduction (Gross)	34	16 Kg CO_2/MT		On target
Scope 3 reduction (Gross)	11.5	7.6 Kg CO_2/MT		On target
Substitution of RM with de-carbonated material in %	0.3	2	5	On target
Reduction of specific electricity consumption in kwh	74.71	70	65	On target
Increase use of alternate fuel in %	3.3	25	50	On target
Clinker Factor in %	74	64	50	On target
Reduction of specific heat consumption in kcal	726	700	685	On target
Increase of green electricity ratio in %	11.41	50	100	On target
Increase use of zero emission vehicles	Deployed 2 EV trucks and 4 EV loaders	30	100	On target

Achieved On target

ESG targets and performance

Social

	Progress (FY2024)	Target	Status
Health and safety	• One fatality • Safety audits conducted by National safety council across all plants	• Ensure zero fatalities • Continually improve the safety management system by carrying out regular safety audits	On target
Employee well-being	• Gradual progress have been made in line with the medium term targets	• Undertake effective steps to raise the female employee ratio	On target
Customer and partners	• Focused efforts including arranging plant visits and counter meets, were made towards building stronger bonds and relationships with customers and partners	• Focus on building stronger bonds and relationships with its customers and partners	On target
Community development	• A lift irrigation project initiated at the request of local villages, which significantly benefited many local villagers • Training in stitching and embroidery offered to local women as part of a women empowerment scheme • Training opportunities provided to local youth to upgrade knowledge in cement technology, enhancing their prospects for better future opportunities	• Strengthen the community health centre by 2025 • Start a skill development training centre by 2030 • Offer vocational training programmes for the underprivileged by 2027	On target

Achieved On target

Governance

	Progress (FY2024)	Target	Status
Continuously raise the bar in corporate governance and corporate behaviour and strive to be a model corporate citizen in every sense of the term	• Complying with all the applicable regulatory requirements	• Consistently working towards meeting regulatory and compliance obligations, while aligning with the best practices of transparency and accountability	On target

Achieved On target

About Sagar Cements

Founded in 1981, Sagar Cements Limited is a prominent Indian cement manufacturer with a production capacity of 10.50 MTPA, and earning the reputation of being the trusted choice in the construction industry.

We hold a strong market presence in South India, while actively expanding into Central and Eastern regions. With strategically located plants in these regions, we underscore our commitment to sustainable practices and minimising our environmental impact through innovative processes.

Our mission

To be India's most respected and attractive Company in our industry – creating value for all our stakeholders

Our vision

To provide foundations for the society's future

10.50 MTPA
Total production capacity

96.96 MWh
Total captive power capacity

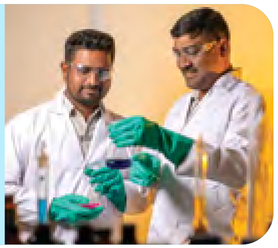
6.60 MTPA
Clinker capacity

3,055
Channel partners

943.75 MnT
Limestone resources

82
Warehouses

One
R&D facility



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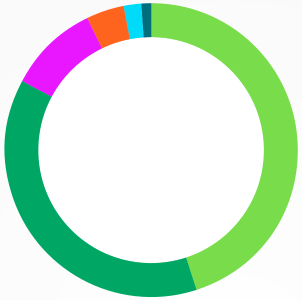
Offices

About Sagar Cements

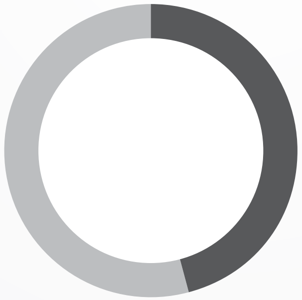
Gudipadu, Andhra Pradesh Plant

Product portfolio

Share in portfolio (%)



- **45** Ordinary Portland Cement (OPC)
- **38** Portland Pozzolana Cement (PPC)
- **10** Portland Slag (PSC)
- **4** Composite Cement (CC)
- **2** Ground Granulated Blast-furnace Slag (GGBS)
- **1** Sulphate Resistant Cement (SRC)



- **54** Blended Cement
- **46** Non Blended Cement

Ordinary Portland Cement (OPC)
Known as grey cement which includes 90-95% clinker, 5-10% gypsum and other materials

Portland Pozzolana Cement (PPC)
Blended cement consisting of 15-35% pozzolanic material, 4% gypsum and balance clinker.

Green Certification: GreenPro certified

Portland Slag (PSC)
Consists of 25-75% granulated slag, 3% gypsum and balance clinker

Green Certification: GreenPro Gold and Platinum

Composite Cement (CC)
Blended cement consisting of 15-35% pozzolanic material, 20-50% granulated slag, 3% gypsum and balance clinker

Green Certification: GreenPro certified

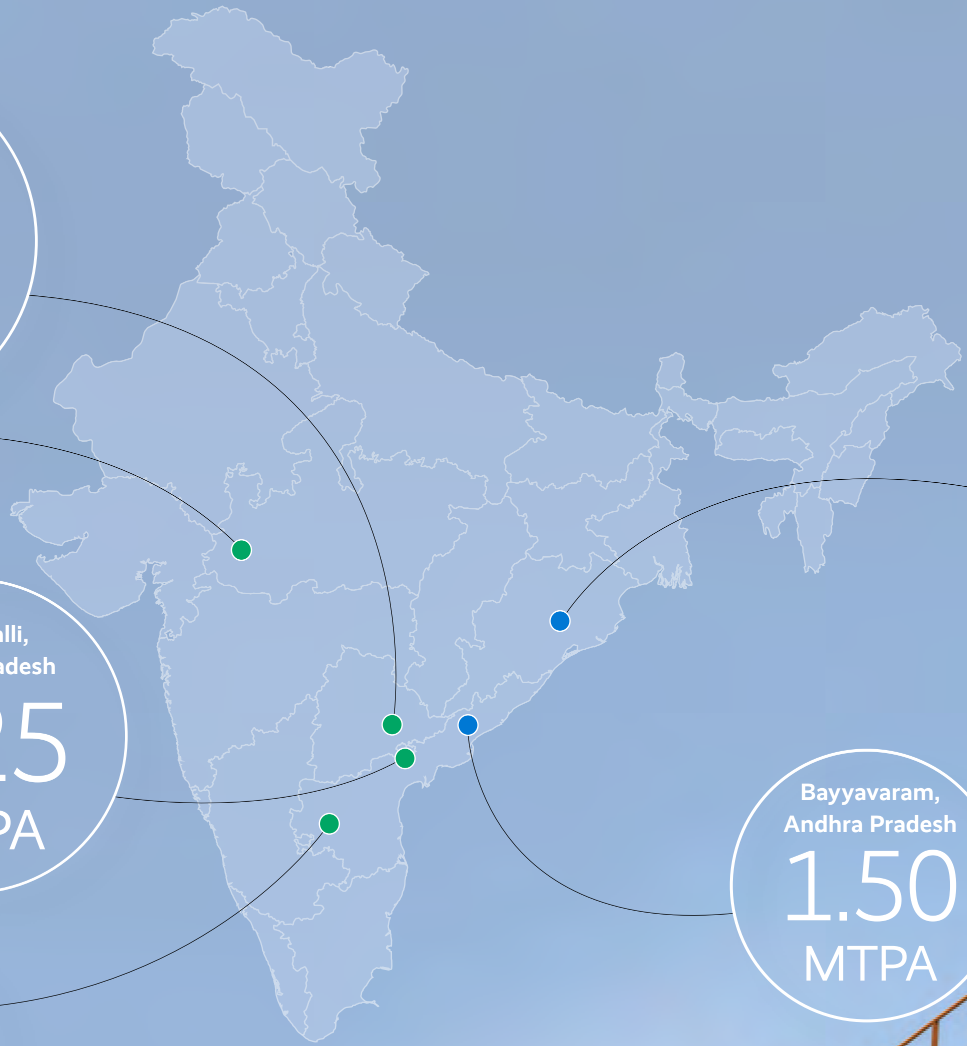
Ground Granulated Blast-furnace Slag (GGBS)
Used as partial replacement of cement in concrete. Acts as a stabilising agent when added as an admixture in concrete

Green Certification: GreenPro Platinum

Sulphate Resistant Cement (SRC)
It is a type of Portland cement with Tricalcium Aluminate (C3A) < 5% and C3A and calcium aluminoferrite (C4AF) combined <25%

About Sagar Cements

Plant-wise capacity



Mattampally, Telangana
3.00 MTPA

Jeerabad, Madhya Pradesh
1.00 MTPA

Dachepalli, Andhra Pradesh
2.25 MTPA

Gudipadu, Andhra Pradesh
1.25 MTPA

Jajpur, Odisha
1.50 MTPA

Bayyavaram, Andhra Pradesh
1.50 MTPA

Map not to scale.

Integrated Plant Grinding Unit

About Sagar Cements

Mattampally, Telangana

Capacity	3.00 MTPA
Captive power	28.23 MW
Thermal power	18.00 MW
Green energy	10.23 MW
Limestone resources	395.30 MnT
Markets	AP, TG, TN, OD, MH

Certifications: Green Co Gold, Green Pro for PPC, NABL accredited Laboratory, 5-star rating for Mines by IBM

Gudipadu, Andhra Pradesh

Capacity	1.25 MTPA
Captive power	25.00 MW
Thermal Power	25.00 MW
Limestone resources	164.81 MnT
Markets	AP, KA, TN, TG

Certifications: Green Co Gold, Green Pro for PPC and IPL

Jeerabad, Madhya Pradesh

Capacity	1.00 MTPA
Captive power	5.30 MW
Green energy	5.30 MW
Limestone resources	67.87 MnT
Markets	Western MP, GJ, RJ, MH

Dachepalli, Andhra Pradesh

Capacity	2.25 MTPA
Captive power	30.00 MW
Thermal Power	30.00 MW
Limestone resources	315.77 MnT
Markets	TG, AP, TN & KA

Bayyavaram, Andhra Pradesh

Capacity	1.50 MTPA
Captive power	8.43 MW
Green energy	8.43 MW
Markets	AP and South OD

Certifications: Green Co Platinum, Green Pro for PPC, CC, and IPL, NABL Accredited Laboratory

Jajpur, Odisha

Capacity	1.50 MTPA
Markets	OD, WB, JH

Value creation model

Inputs → Outputs → Outcomes

Inputs

Financial capital
Pool of funds allocated and utilised for all business activities.
Total Equity: **₹ 2,01,969 Lakhs**
Total Debt: **₹ 1,44,188 Lakhs**
Capital commitment as on March 31, 2024: **₹ 42,061 Lakhs**

Manufactured capital
Assets built or owned that facilitate production, storage and delivery of goods.
Cement and grinding plants: **6**
Thermal power plants: **3**
Hydro power plants: **2**
Limestone resources: **943.75 MnT**

Intellectual capital
Organisation's all intangible assets that contributes to its bottom line.
R&D investment: **₹ 40 Lakhs**
Digitisation cost: **₹ 50 Lakhs**
Use of robotics in plant operations: **4**

Human capital
Talent acquired and nurtured to manage all business activities.
Employee strength: **1,189**
Total employee expense: **₹ 11,730 Lakhs**
Total training hours: **34,009**

Social and relationship capital
Building trusted partnerships with key stakeholder groups.
CSR Spent: **₹ 290.11 Lakhs**
Distributors/Dealers: **3,055**

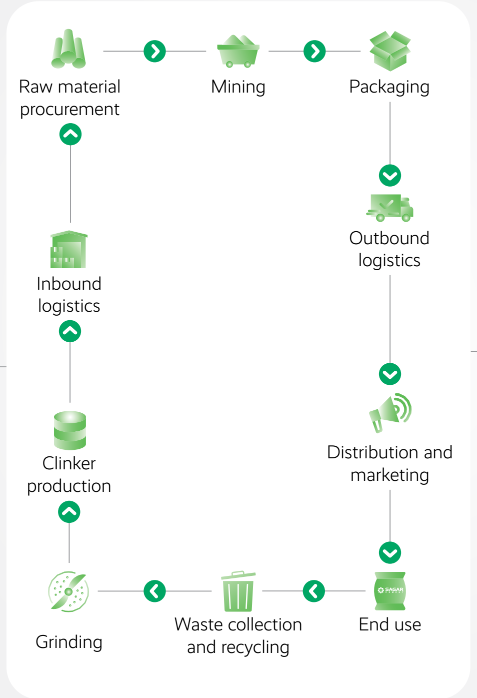
Natural capital
Resources provided by the natural world that are impacted due to business operations.
Total Energy consumed **15,212 TJ**
Limestone Mined **7.31 MnT**
Slag consumed **0.53 MnT**
Gypsum consumed **0.14 MnT**
Fly ash consumed **0.70 MnT**
Coal Consumed **0.50 MnT**
Fresh water withdrawal **2,68,914 KL**

Vision and Mission

Risk management

Upstream activities

Downstream activities



Support functions
- Human resources and administration
- IT and digital
- Quality
- Environment management
- Research and development
- Secretarial and legal
- Finance and accounts
- Energy management

Performance

Governance

Outputs

Cement

24,85,024 MT
Ordinary Portland cement (OPC)

20,44,683 MT
Portland Pozzolana Cement (PPC)

5,60,658 MT
Portland Slag Cement (PSC)

52,879 MT
Sulphate Resistant Cement (SRC)

2,21,192 MT
Composite Cement (CC)

1,08,419 MT
Ground Granulated Blast-furnace Slag (GGBS)

43,62,806 MT
Clinker production

1,886 MT
Steel scrap

41 MT
Tyres, oil, grease and others

Outcomes

Value created for stakeholders

Investors
Revenue growth **12%**
Dividend **35%**
RoCE **3%**

Customers
OPC, PPC, PSC, GGBS, CC and SRC to meet customer demand
Strengthened long-standing relationship with marquee clients
Cement produced **54,72,855 MT**
Capacity utilisation **53%**

People
LTIFR **1**
Retention rate **84.16%**
Average training hours **22.91**
Employee productivity **2.22 Tonnes/FTE**

Partners and suppliers
Vendor engagements **742**
Vendors **12,181**
Procurement from local suppliers **35%**

Communities
CSR Beneficiaries **1,07,865**

Environment
Reduction in GHG emissions **3.28%**
Total Waste recycled **13,99,196 MT**
Total Water recycled **1,16,515 KL**
Water positive **3 times**

Government regulators
Contribution to the exchequer **₹ 80,668 Lakhs**

Board of Directors

The proficient Board members at SGC play a pivotal role in guiding us through a dynamic business landscape, collectively ensuring our ethical management and professional operations. They are dedicated to upholding our commitment to generating value for stakeholders.

Seated (L to R): Smt. O. Rekha Independent Director; Smt. N Sudha Rani Nominee Director; Smt. S. Rachana Non-executive Director.

Standing (L to R): Shri. Ravichandran Rajagopal Independent Director, Shri. John-Eric Bertrand Non-executive Director, Shri. K. V. Vishnu Raju Chairman and Independent Director, Dr. S. Anand Reddy Managing Director, Shri. S. Sreekanth Reddy Joint Managing Director, Shri. Jens Van Nieuwenborgh Alternate Director, Shri. Madhavan Ganesan Nominee Director.

Board of Directors

Board committees

- Investment Committee
- Securities Allotment Committee
- Corporate Social Responsibility Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Ⓒ Chairman
- Ⓜ Member

C C C M M M

Shri. K. V. Vishnu Raju

Chairman and Independent Director

Qualification: Graduate Degree in Chemical Engineering from National Institute of Technology, Tiruchirappalli and a Master's Degree in Chemical Engineering from Michigan Technological University, Houghton, MI, USA.

Skills and experience: He had been associated with Raasi Cements Limited as Executive Director from 1992 to 1995 and as Managing Director from 1995 to 1998. He was on the Board of Anjani Portland Cement Limited as its Chairman and Managing Director from 1999 to 2014. Currently, he is on the Board of Anjani Vishnu Allied Services Limited as its whole-time director.

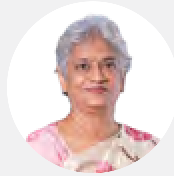
M M M M M

Shri. Ravichandran Rajagopal

Independent Director

Qualification: Graduate Degree in Mechanical Engineering from Regional Engineering College, Tiruchirappalli and a Masters Degree in Management from Indian Institute of Management, Calcutta.

Skills and experience: He had been associated with Vijay Cements as Director from 1992 to 1997 and with Elico Healthcare Limited from 1997 to 2009.



C C M M M

Smt. O. Rekha

Independent Director

Qualification: B.Com degree from Osmania University and an MBA from Samford University, USA, and is an Associate Member of the Institute of Chartered Accountants of India.

Skills and experience: She has worked in a Directorial capacity in Fur Fur Chemical Private Limited and Swan Vacuum Systems Private Limited and serves as a director on the Board of VA Champ Industries Private Limited and Sagar Cements (M) Private Limited.

Board of Directors

C

Smt. N. Sudha Rani
Nominee Director

Qualification: Post Graduate in Commerce

Skills and experience: She is currently positioned as Manager (EPM & Accounts) in TSIDC, a demerged company of APIDC.

M M M

Shri. Madhavan Ganesan
Nominee Director

Qualification: B.E. (Hons) Degree from BITS Pilani and MBA from IIM Calcutta.

Skills and experience: He is having 36+ years of experience in different fields as Business Leader and Strategy Consultant in establishing and incubating new ventures; driving strategic growth and profitability of large business units; group strategic growth planning; managing international partner relationships and financing of ventures.

Shri. John-Eric Bertrand
Non-executive Director

Qualification: Graduated magna cum laude as a Commercial Engineer from University of Louvain (UCL) and obtained a Master's degree in International Management from the Community of European Management Schools (CEMS). He also holds an MBA from INSEAD.

Skills and experience: Shri. John-Eric Bertrand is co-CEO of Ackermans & Van Haaren. AvH is a diversified listed group focused on a limited number of strategic participations. John-Eric is active at AvH since 2008 and acts as Chairman or board member of several companies including CFE, DEME, Agidens, Manuchar, Extensa Group and Telemond. Before joining AvH, John-Eric worked as a Senior Consultant at Roland Berger Strategy Consultants (2006-2008) and as Senior Auditor at Deloitte (2001-2004).

Shri. Jens Van Nieuwenborgh
Alternate Director

Qualification: Holds a Master's degree in Civil Engineering from the University of Ghent and an MBA from Harvard Business School.

Skills and experience: He is an investment Director at Ackermans & Van Haaren since September 2014. He previously worked at McKinsey & Company as Associate Partner. He serves as a Director with AVH Resources India Pvt. Ltd. and Boston Ivy Healthcare Solutions Pvt. Ltd.

Investment Committee · Securities Allotment Committee · Corporate Social Responsibility Committee · Audit Committee · Nomination and Remuneration Committee · Stakeholders' Relationship Committee · Risk Management Committee · Ⓒ Chairman · Ⓜ Member

Board of Directors

Ⓜ

Smt. S. Rachana

Non-executive Director

Qualification: Hold a bachelor's degree in Science

Skills and experience: She is a Promoter Director of RV Consulting Services Pvt. Ltd.

Ⓜ Ⓜ Ⓜ

Dr. S. Anand Reddy

Managing Director

Qualification: MBBS

Skills and experience: Under his guidance, SGC has emerged as one of the most economical cement plants in Telangana. In 2008, he was appointed as the Joint Managing Director and later as Managing Director in 2018.

Ⓒ Ⓜ

Shri. S. Sreekanth Reddy

Joint Managing Director

Qualification: B.E. (I &P), PG Diploma in Cement technology

Skills and experience: He has more than 28 years of experience. In 2008, he was appointed as an Executive Director and in 2018, as Joint Managing Director. During his tenure, SGC grew its capacity from 1.32 Lakhs TPA to 105 Lakhs TPA and witnesses the adoption of modern technology in all areas of its operations.

Investment Committee · Securities Allotment Committee · Corporate Social Responsibility Committee · Audit Committee · Nomination and Remuneration Committee · Stakeholders' Relationship Committee · Risk Management Committee · Ⓒ Chairman · Ⓜ Member

Management team

At SGC, a team of sharp professionals in leadership ensures our operational excellence and delivery performance is consistently upheld.

Dr. S. Anand Reddy
Managing Director

Dr. S. Anand Reddy brings with him a vast experience of more than 31 years. He has an MBBS degree from Nagarjuna University. He joined SGC as Director (Marketing and Projects) in 1992 and has risen to the current position of Managing Director.

Shri. S. Sreekanth Reddy
Joint Managing Director

Shri. S. Sreekanth Reddy brings with him more than 28 years of industry experience. He has a Bachelor's degree in Industrial and Production Engineering and a diploma in cement technology. He joined SGC in 2002 as a Technical Consultant and was later appointed as its Director. Under his guidance, SGC has emerged as one of the most sustainable cement plants in Telangana.

Shri. K. Ganesh
Group President

Shri. K. Ganesh comes with a rich experience of more than 38 years in project execution and operations of cement plants. He holds a Diploma in Mechanical Engineering. He has been associated with SGC since 1992 and has been a crucial part of the Company's growth story.

Shri. K. Prasad
Chief Financial Officer

Shri. K. Prasad heads the Finance and Accounts function of the Group. Has more than 30 years of experience. He is a qualified Chartered Accountant and also holds an M. Com degree. He has been associated with us since 2003. Before joining us, he served as the Senior Manager at Sagarsoft (India) Limited.

Management team

Shri. Rajesh Singh
Chief Marketing Officer

Shri. Rajesh Singh has 31 years of experience in Marketing. He holds a PG Diploma in Business Management from Osmania University. He is associated with us since 2008. He has worked with Suzlon Energy and Orient Cements Limited before joining SGC. His 34 years of the professional journey is as follows: Chambal Fertilisers & Chemicals Ltd, Orient Cement, Suzlon Energy, and SGC since 2008 onwards.

Shri. O. Anji Reddy
Chief Sustainability Officer

Shri. O. Anji Reddy has a postgraduate degree in Engineering from the Andhra University and has been working for the cement industry since 1985. During the course of his 39 years of service, he has worked in a wide range of functions for the cement and power sectors. He is also a certified expert in climate change and environment sustainability by the Confederation of the Indian Industry (CII).

Shri. J. Raja Reddy
Company Secretary and Compliance Officer

Shri J. Raja Reddy is an Associate Member of the Institute of Company Secretaries of India and also holds a Graduate Degree in Law and Science from Osmania University, Hyderabad. He heads the secretarial and compliance functions of the Group and is associated with the group since 2013.

Shri Sanjay Singh
Senior General Manager (F&A) and Chief Risk Officer

Shri Sanjay Singh has an experience of around 30 years. He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a Graduate Degree in Commerce from Osmania University, Hyderabad. He is part of Finance and Accounts function and has been associated with the group since 2013.

Chairman's message

"We believe digitalisation enhances organisational efficiency, giving us a competitive edge. We have implemented it across key processes like sales, logistics, material management, manufacturing, and technology operations. Our dedicated workforce is integral to our success, and we prioritise their health, safety, and overall satisfaction."

K. V. Vishnu Raju
Chairman

Dear Stakeholders,

FY2024 has been an eventful year for your Company, a year wherein we achieved our stated objective of attaining 10 million capacity well before 2025, following the acquisition of Andhra Cements. This strengthens our core markets and improves customer service. In contrast, the earlier acquisitions of Satguru and Jajpur diversified our geography and product mix, entering faster-growing regions. Our focus in the coming years is enhancing operational efficiencies and optimising these assets.

Our 2030 ESG vision is ambitious and based on your Company's purpose, and values. We are committed to making a positive impact on the environment, people and society while still being profitable. Our vision is to facilitate a positive transformation in the surrounding environment, the individuals within our midst, and the collective behaviour among us.

Mattampally, T.G. Plant

Chairman's message

We believe that the Indian cement sector is poised to grow exponentially in the coming years, and we are ramping up, through organic as well as inorganic expansion, to provide India with quality cement for its growing needs.

We believe India's steady GDP expansion of 6%-7% – after 7.2% growth in FY2023 – will underpin growth across various construction end-markets. This is largely on the government's growing impetus, evident from rising public spending and significant project pipeline. We believe that the Indian cement sector is poised to grow exponentially in the coming years, and we are ramping up, through organic as well as inorganic expansion, to capitalise on the emerging opportunities and provide India with quality cement for its growing needs.

We have been consistently able to improve our operating efficiency through various measures such as lower power consumption per tonne of cement produced, proximity to raw material sources, the strategic location of plants, digitalisation of sales channels, logistic efficiency, and supply chain management among others. Also, our strategic initiatives towards increasing the share of green power, usage of electric trucks and wheel loaders and increased usage of alternative fuels, bodes well for rationalisation in operating costs over the medium to long term.

Sustainability

Sustainability is at the core of what we do. We developed an ESG roadmap in FY2023 with targets for 2030 and 2050. Our objective with this ESG Roadmap is to communicate our efforts to achieve our environmental, social and governance ambitions. During the year, we took significant strides in each of the focus areas of energy transition, circular economy, water management, waste management and biodiversity management.

We are optimistic about the future based on a robust demand outlook, steady cement prices and the peak of commodity price inflation behind us. We expect profitability to gradually improve from here on, and we remain focused on delivering value to our stakeholders. We extend our heartfelt appreciation to all our stakeholders for believing in our journey.

Best regards,

K. V. Vishnu Raju
Chairman

MD and JMD's message

S. Sreekanth Reddy
(JMD)

Dr. S. Anand Reddy
(MD)

Dear Stakeholders,

It gives us great pleasure to share the Integrated Annual Report for FY2024, which has been a milestone year in the history of Sagar Cements Limited. We reached a milestone, achieving a cement capacity of 10.50 MTPA, showcasing our commitment to excellence and continual growth in the industry. We are making remarkable strides in our ambitious endeavour to double our capacity to 20 MTPA by 2035.

Our performance

During the year, revenue increased by 12% to ₹ 2,505 Crores. EBITDA margin increased by 300 bps to 10%. Improved profitability was driven by increased operating leverage and steady realisations. We expect this positive trend to continue, bolstered by higher utilisation of recently acquired units and strategic initiatives promoting green power, alternative fuels, along with the deployment of electric trucks and wheel loaders.

Commitment to robust ESG practices

We embrace a sustainability-by-design approach, evident in our strategic procurement and equipment choices. Our commitment to environmental stewardship includes the use of roller presses, 6-stage preheaters, and air-cooled condensers for waste heat recovery. Additionally, we integrate waste heat recovery systems (WHRS) and on-site solar solutions to enhance energy efficiency. We reduced our GHG emissions by 3.28%. Further, we implement measures to reduce water and waste, minimise material transport distances, and construct rainwater harvesting pits for water conservation. On the social front, our workforce's dedication is integral to our success. We prioritise their health and safety, ensuring a superior experience and high employee satisfaction levels, with safety protocols integrated into every operation through an occupational health and safety management system.

> To facilitate strategic planning and alignment, we have developed an ESG calendar, ensuring that our initiatives are integrated into our business strategy and operations seamlessly."

As part of our ESG strategy, committees at all levels ensure comprehensive oversight and implementation of ESG principles. Regular meetings follow guidelines for progress review, addressing challenges, and identifying improvement opportunities. Our robust ESG framework guides sustainability efforts, with renewed policies aligning with best practices. Furthermore, we conduct thorough reviews of our greenhouse gas emissions, materiality assessments, and ESG data to monitor progress and identify areas for enhancement. To facilitate strategic planning and alignment, we have developed an ESG calendar, ensuring that our initiatives are integrated into our business strategy and operations seamlessly.

Towards the future

Before we conclude, we would like to thank every stakeholder who continues to support us in our journey forward. As we execute our future plans with confidence, we request your sustained trust and support. Your Company is on a trajectory of sustainable growth, and together, we are ushering in a brighter, greener, and more prosperous future.

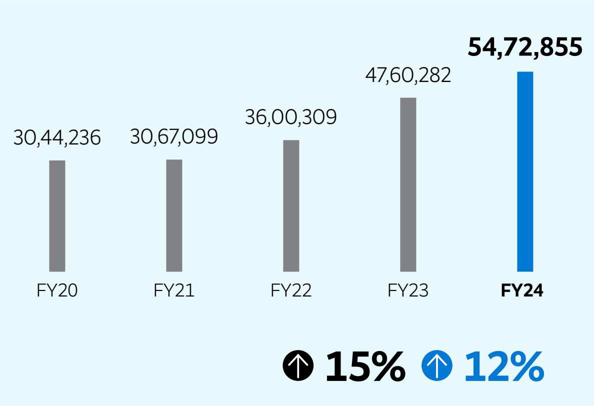
Best regards,

Dr. S. Anand Reddy
S. Sreekanth Reddy

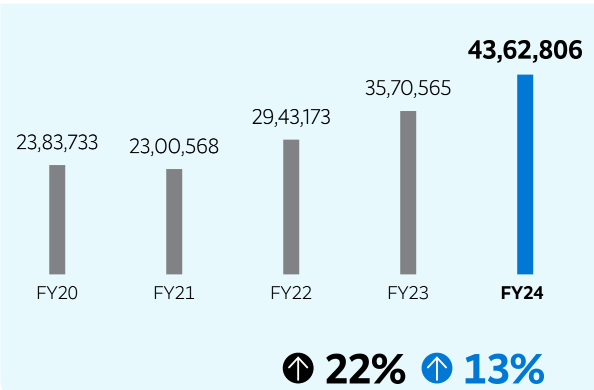
Key performance indicators

Operational highlights

Cement production (in MT)

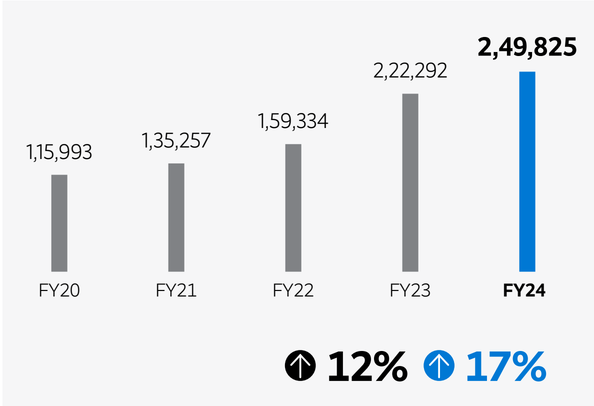


Clinker production (in MT)

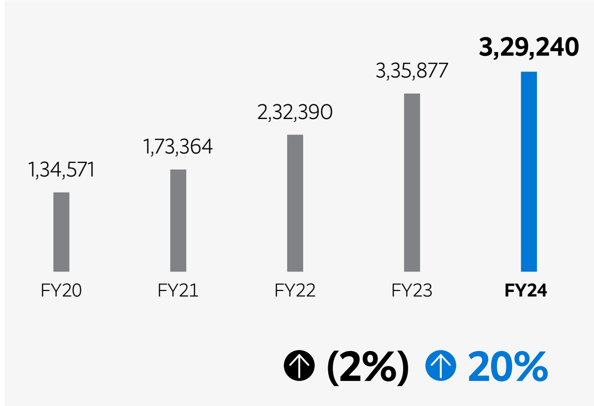


Financial highlights

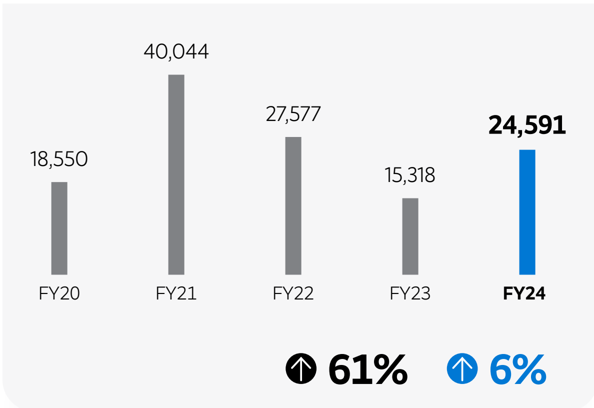
Net sales (₹ Lakhs)



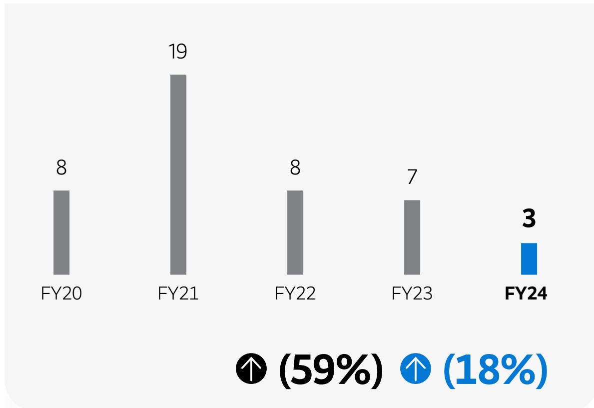
Capital employed (₹ Lakhs)



EBITDA (₹ Lakhs)



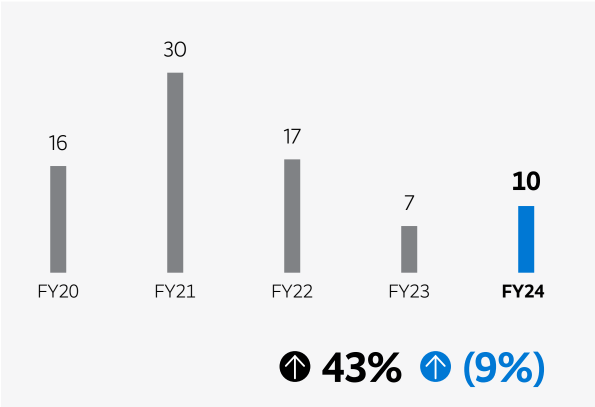
Average return on capital employed (%)



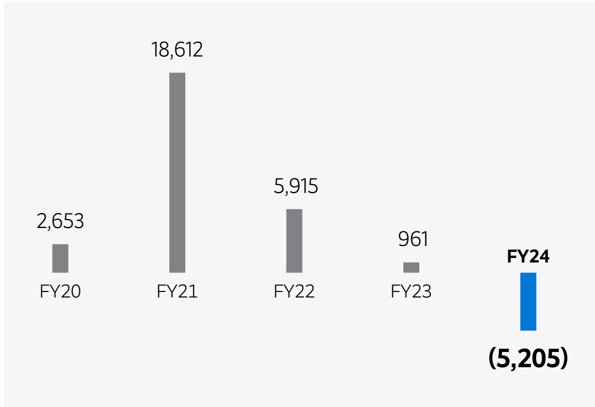
YoY growth 5 year CAGR

Key performance indicators

EBITDA margin (%)

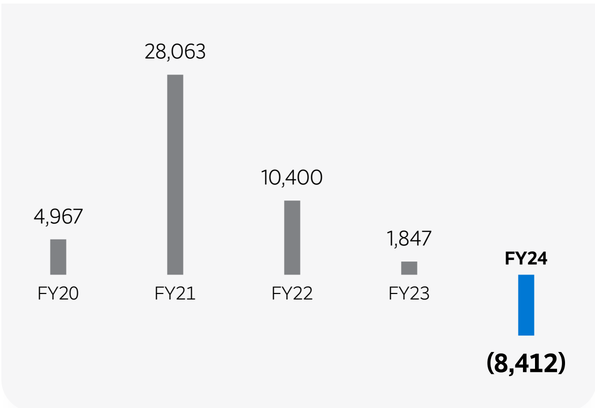


Profit after tax (₹ Lakhs)



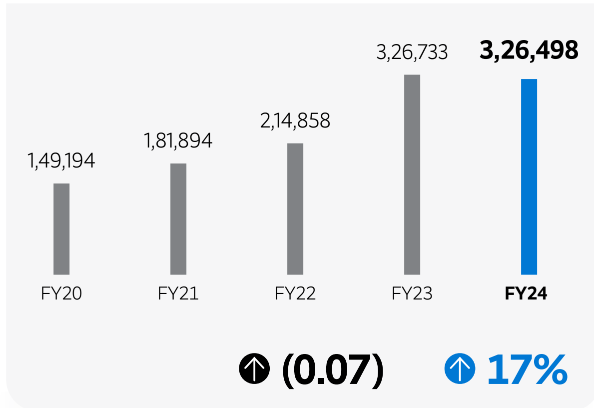
PAT margin (%)

Profit before tax (₹ Lakhs)



Earnings per share (₹)

Net fixed assets (₹ Lakhs)



YoY growth 5 year CAGR

We create sustained value and responsible growth through the effective use of our resources and our relationships. We have also progressively attuned our business model to the requirements of our customers, shareholders, business partners, employees and other stakeholders to provide value differentiation in a competitive market scenario.

Responsible growth

Stakeholder engagement

We believe businesses flourish on multifaceted relationships. Establishing successful relationships necessitates a deep understanding of our stakeholders, as they actively engage, exert influence, regulate, or shape the context of our business. Therefore, comprehending and accommodating their interests is crucial, and we achieve this through meaningful interactions at regular intervals.

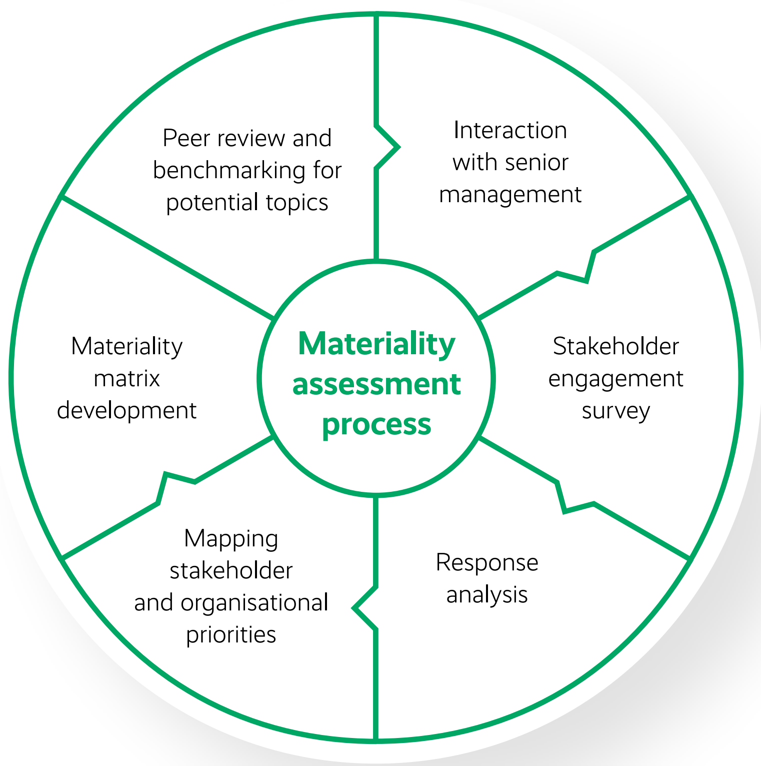
	Significance	Engagement mechanism	Key concerns	SGC's ability to create value
Employees	Central to organisational success; their knowledge, skill sets, and dedication help us deliver strategies for sustained business growth	• Townhalls • Newsletters • Social events • Surveys	• Career growth • Training • Safety • Work life balance	• Compensation • Career development • Health and well-being
Customers	• The reason why the organisation exists • Drives products/business model	• Exhibitions • Sales calls • Site visits	• Cost • Quality • Consistent supply • Troubleshooting	Producing quality cement at competitive prices
Investors	Providers of financial resources essential to fund growth	• Annual General Meeting • Investor/analysts meets • Quarterly earnings call • Integrated report	• Company performance • Financial health • Return on Investment (RoI)	Delivering above average RoI through dividend and shareholder value

Stakeholder engagement

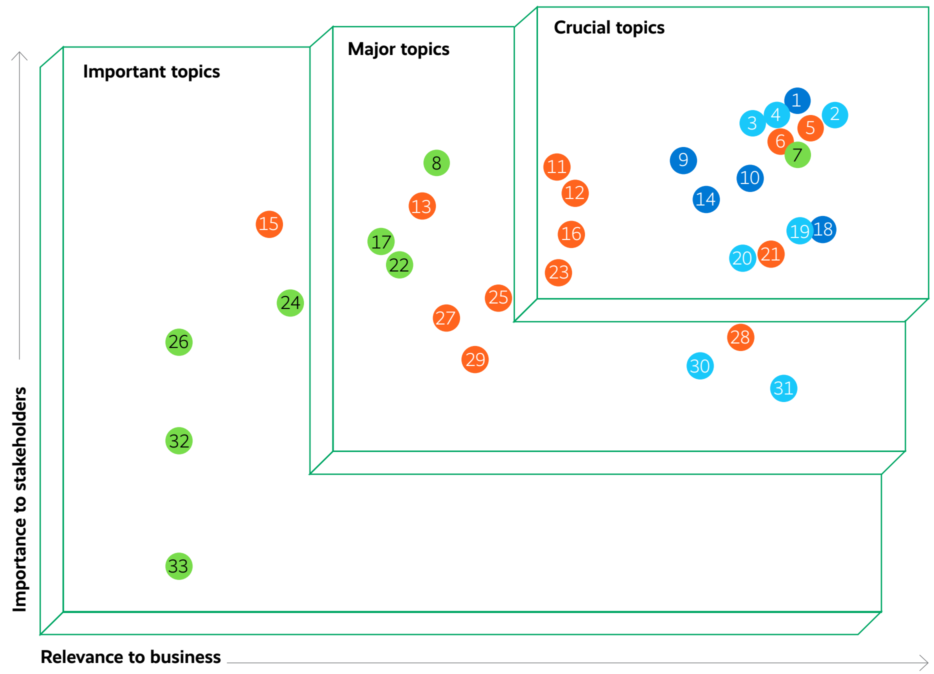
	Significance	Engagement mechanism	Key concerns	SGC's ability to create value
Suppliers and contractors	Partner for resource supplies for optimising value chain	• Phones • Emails • Supplier meets	• Vendor approval • Pricing and payment terms • Compliance	Demand for products and services
Regulators	• Setting best standards in corporate governance • Enables ease of doing business	• Meetings • Presentation • Reports	• Compliance • Reporting transparency • ESG disclosure	Through direct and indirect taxes, thereby contributing to the economy
Communities	Provides social license to operate	• CSR events • Volunteering	• Sustainable livelihood • Health • Education • Community infrastructure	• Generating employment opportunities • Helping in reducing migrant movement

Materiality

Our business activities simultaneously affect the environments where we operate, the communities that we interact with and the stakeholder universe that is invested in us. For this reason, it is imperative to periodically assess the issues that are material to our business and stakeholders so that we can adopt sustainable practices, transparently carry on our business and keep creating value.



Materiality matrix



Material topics

Most critical

1. Economic performance and profitability
2. Order fulfilment
3. Fair business operations, business ethics and good governance
4. Compliance
5. Customer satisfaction
6. Brand and reputation
7. Transport and logistics
8. Waste management and circular economy
9. Interest payment
10. Tax and economic contribution
11. Benefits fair compensation and social security
12. Occupational health, well-being and safety
13. Employees work-life balance and human rights
14. Return on investment
15. Local economic value creation
16. Employee relations and engagements
17. Climate and energy
18. Business growth
19. Customer acquisition
20. Technology and process innovation
21. Distribution presence
22. Responsible consumption

Critical

23. Employee training and development
24. Responsible sourcing and alternate raw materials
25. Social responsibility and engagement
26. Biodiversity management
27. Vendor engagement and training
28. Quality and reliability of suppliers
29. Supplier engagement
30. Risk management
31. Public policy and advocacy
32. Sustainable land use, relocation and rehabilitation
33. Renewable energy

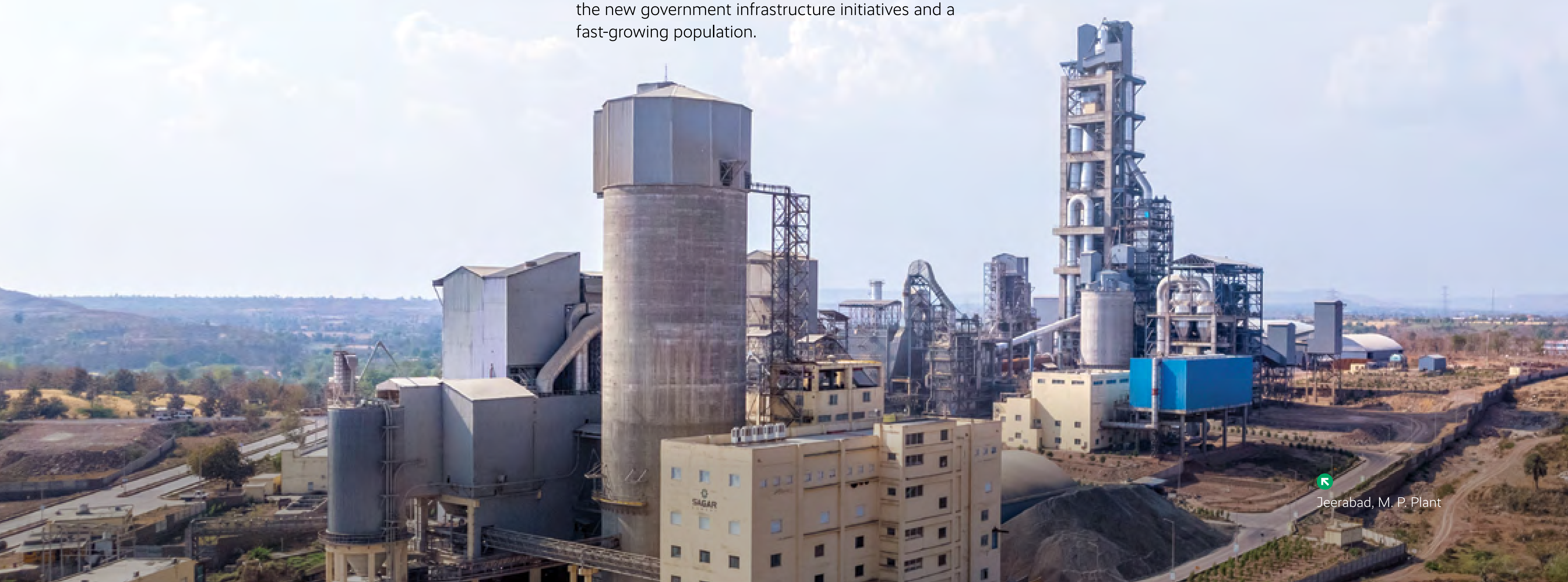
Environmental | Social | Governance | Economic

Operating context

As a leading player in the Indian cement business, we are aware of the forces shaping our industry. As the understanding around the challenges of climate change grows, the need for sustainable solutions is more keenly felt. At SGC, we understand the challenges facing the industry and our business and the prospects for us to make a difference and create value.

Favourable demand-supply dynamics

India is the world's second-largest cement producer, with growing demand in the construction, infrastructure, and housing segments. The sector notably plays a critical role in the economic growth of the country, in its journey towards inclusive and decidedly conclusive growth. Although India is also the second largest consumer of cement, its per capita cement consumption is significantly lower than the global average, which provides ample headroom for growth. Despite a recent slowdown in growth, the future remains quite positive, thanks to the new government infrastructure initiatives and a fast-growing population.



Jeerabad, M. P. Plant

Operating context

Key factors driving demand

Population demographics

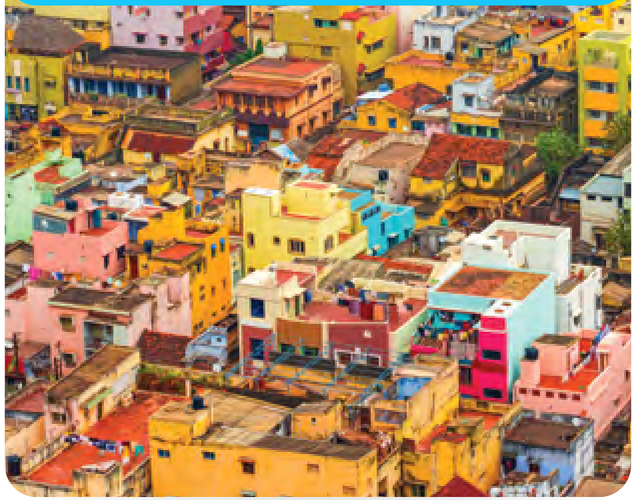
According to United Nations' World Population Prospects (WPP) 2022, India is the most populous country in the world, and is expected to reach a population of 150 Crores by 2030 and 166 Crores by 2050. India's urban population is estimated to stand at around 68 Crores in 2035, the second-highest behind China's one billion. This translates into a higher demand for housing and related amenities.

150 Crores
India's population by 2030

Housing shortage

According to government estimates, India had an urban housing shortage of around 19 million units in 2022 and this is expected to double by 2030. The government is also trying to boost affordable housing by providing subsidies, which will encourage construction in India's smaller towns and cities.

38 million units
Housing shortage in urban areas by 2030



Dachepalli, A.P.Plant

Low per capita cement consumption

India's per capita cement consumption at 240-250 kg, against the world average of 500-550 kg, is one of the lowest in the world, even behind countries such as Brazil and Indonesia.

240-250 kg
India's per capita cement consumption

Operating context

Key factors driving demand

Continued focus on infrastructure and housing

The cement industry thrives on demand from housing, infrastructure, commercial, and industrial sectors, with consistent Government support. The Government has increased the allocation of the infrastructure sector to ₹ 11.11 Lakh Crores for FY2025, which will be 3.4% of the GDP. The industry's growth is propelled by the government's focus on infrastructure and housing, as seen in initiatives like the National Infrastructure Pipeline and PM GatiShakti, driving construction activities and increasing cement demand.

₹ 11.11 Lakhs Crores
Infrastructure outlay for FY2025

Digitalisation and sustainability

Swift technological progress is a major disruptive force, impacting global industries. Current technology trends prioritise automation, production efficiency, and advancements in robotics, nanotechnology, Artificial Intelligence (AI), and the Internet of Things (IoT).

How we intend to make use of these trends

Capacity expansion

Our vision is to double capacity every 10 years, aiming for 20 MTPA by 2035 through organic and inorganic growth. This involves debottlenecking and upgrading for organic expansion. Simultaneously, we are expanding market reach in the eastern and central regions, capitalising on the predicted 8%-9% CAGR in cement demand by CRISIL between FY2023-FY2025E. Cement demand in these areas is below the national average, making it feasible to absorb increased production from new facilities, projected at 75 MTPA in FY2024E and 109 MTPA in FY2025E.

Enhancing operational efficiency

We strive to improve operational efficiency in fuel and freight. We are making use of captive power plants that meet 40% of our electricity requirements while ensuring power security at reasonable prices.

Sustainability

Committed to sustainability, we have outlined our ESG vision for 2030. It demonstrates our dedication to reducing carbon emissions, promoting resource efficiency, supporting employees, and uplifting local communities.

Risk management

Efficient risk management minimises the impact of events that could have a detrimental effect on the organisation. SGC achieves this through a strong Board oversight on the process of monitoring, evaluating, and treating risks and making risk management a part of its everyday functioning.

Our robust risk-management framework enables a culture of informed and responsible risk-taking through systematic and proactive identification of risks, assessment, treatment, monitoring and reporting. Strong oversight is established for the entire risk management programme by the Board and senior management.

Guiding principles

At SGC, risk management is guided by a set of principles that ensure the procedure abides by the following parameters:

Shareholder value based

Risk management will be focused on sustaining the creation of shareholder value and protecting the same against erosion.

Embedded

Risk management will be embedded in existing business processes to facilitate management of risks across processes on an ongoing basis.

Supported and assured

Risk management will provide support in establishing appropriate processes to manage current risks appropriately, and assure the relevant stakeholders over the effectiveness of these processes.

Reviewed

The effectiveness of the risk management programme will be reviewed on a regular basis to ensure its relevance in a dynamic business environment.

Risk management framework

Risk management

Approach to risk management

We have implemented a top-down approach to identify and manage risks throughout the organisation. This method involves initially identifying the primary challenges that could affect the realisation of organisational objectives. Consequently, the risk library encompasses key strategic and business risks that are relevant. Initially, mitigation plans are developed specifically for Risks That Matter (RTM), and these plans are gradually extended to cover all identified risks over time.

The Risk Team, led by the JMD/CFO and inclusive of all process heads and the Company Secretary, oversees the daily risks within the organisation. Additionally, the team conducts a quarterly risk review meeting to assess the efficacy of existing risk mitigation plans. Through this evaluation process, new risks may be identified, and strategies for their mitigation are determined.

A report on the status of the remediation plans and the current RTM is presented to the Audit Committee every quarter. An annual status of risk management, along with the status of risk remediation plans, are also presented to the Board of Directors on an annual basis.

Risk management process

A successful risk management process necessitates ongoing assessment, mitigation, monitoring, and reporting of risk issues throughout the entire enterprise. A crucial aspect of this process involves a clearly defined methodology for establishing corporate objectives and strategy. At SGC, we integrate this entire process with our annual budgeting procedures. Each business function is mandated to incorporate the outcomes of the risk management exercise as an integral component of their respective budget presentations.

Risk assessment and reporting → **Risk mitigation** → **Risk monitoring and assurance**

Types of risk

Gudipadu, A.P. Plant

Risk management

Strategic risks

The strategic focus of the organisation is driven by stakeholder expectations, industry outlook, market dynamics, and the way the organisation is governed and guided. This category covers risks that may impact the strategic focus and future of the organisation.

Consolidation and intense competition

Description

- Intense competition leading to cement pricing not moving in tandem with inflation resulting lower margin for cement companies
- Continuous expansion and consolidation in the Industry might impact market share of Sagar Cement
- Failure to effectively compete could have a material adverse impact on the business performance of Sagar Cement
- Failure to meet sales target to achieve desired growth in sales

Mitigation

- Aligned marketing strategy to maintain current market share and strive for expansion in new markets
- Continuous adoption of new ways to engage with customers and maximise brand visibility
- Monitor market trends and competitors

Rating

High

Region dependency

Description

Market slowdown in the Southern region may significantly impact the company's performance.

Mitigation

- New plants at Jeerabad and Jajpur allow us to increase market presence at serving geographies
- To maintain our current market share, our promotional and branding efforts in the regions where we are already established

Rating

High

Risk management

Financial risks

Financial risks include risks related to the way a corporate raises and manages its finances, plans its taxes, and reduces uncertainty due to market movement of currency, interest rates, and commodity prices. This category of risks also includes risks arising due to fraud and errors.

Market volatility

Description

- Adverse impact over organisation brand position due to market volatility
- Challenges in raising capital for funding growth opportunities

Mitigation

- Regularly monitor the market conditions as capital raising is dependent on macroeconomic factors and capital market conditions
- Conduct valuations from time to time for assessment as to whether the outcome is favourable

Rating

High

Treasury management

Description

- Insufficient return on surplus funds or safety of investment leading to minimisation of return to shareholders
- Higher cost of capital due to suboptimal utilisation of funds and mix of capital source structure

Mitigation

- Robust monitoring of fund needs over short/ medium and long-term periods
- Maintaining the debt-equity ratio and Interest coverage ratio

Rating

High

Risk management

Operational risks

Operations refer to the activities of the organisation in harnessing its resources to execute its business model. This category of risks includes risks related to resources and processes, which come together to create products and services that satisfy customers and help achieve the organisation's quality, and cost, and time performance objectives.

Health and safety

Description

- Occurrence of accidents, incidents and occupational hazards leading to loss of human life, machines and impact on local communities
- Fire, explosion, contamination or release of dangerous gases from use of hazardous materials
- Penalty, fines, closure, strike, agitation due to these incidents

Mitigation

- Formation of plant level safety committee to specifically focus on occupational health and safety aspects
- Continuous review and strengthening of occupational health and safety practices
- Keep hazardous materials in well-maintained storage areas with good ventilation and drainage, as well as ensure appropriate emergency equipment is available
- Good housekeeping practices (routinely and thoroughly check the state of containers for any holes, leaks, signs of rust or rot, missing labels and always keep things as neat and clean as possible)
- Check both container labels and Materials Safety Data Sheets (MSDS) before starting any job involving hazardous materials

Rating

High

Risk management

Operational risks

Risk	Description	Mitigation	Rating
Fuel procurement	• Fail to sustain operations due to unavailability of fuel or availability at exorbitant prices	• Increase use of alternate fuel of 25% by 2030 and 50% by 2050. We are building feeders for alternative fuel consumption across all the plants which allow it to choose the type of fuel basis the availability and cost. This helps it to remain competitive on fuel cost front • We will get maximum utilisation from Fuel Supply Agreement (FSA) for the coal and prepared for timely renewal to secure availability of coal	High
Brand positioning	• Fail to align consumer perception in line with its vision and business plan leading to negative impact on net cement realisation • Fail to create brand in market which can pull customer interest leading to lower price realisation than peers	• We intend to increase our spend on brand equity over the period to improve and consolidate Sagar Cements brand position • Continuous adoption of new ways to promote brand and maximise visibility on sustainable basis	Medium
Succession planning	• Loss of knowledge and experience from sudden exit / retirement of skilled or specialised employees • Poor succession planning process results in selecting the wrong candidate • Impact on business due to non-identification or selection of suitable candidate for succession	• Developing a roadmap and framework for the identification of critical positions, possible successors, their development plans and gap analysis • Regular efforts are being made to train the employees and make them future ready	Medium

Risk management

Operational risks

Supply chain – logistics cost

Description

- Ineffective supply chain leading to higher logistics cost and hampering profitability
- Failure to meet delivery commitments leading to loss of sale and customers

Mitigation

- We will map our logistics into Rail and Road category to compare and arrive the optimal cost of logistics to minimise it
- We will continue to keep the average lead distance below 300 kms for optimum logistics cost

Rating

Medium

Asset management

Description

- Failure to perform regular maintenance for assets leading to frequent breakdowns and decrease in life of assets
- Lack of cost competitiveness due to technology related issues like old equipment's (increased variable cost of power, fuel etc)
- Failure to provide physical protection for its long-lived assets

Mitigation

- Performing periodic detailed equipment Risk assessment analysis to identify the potential equipment failures to be taken care as apart of maintenance activities (In-House)
- Detailed performance monitoring mechanism to be put in place for all spares and consumables equipment wise in all facilities including tracking of mean time to repair, mean time between failures, occupancy rates etc.

Rating

Medium

Risk management

Compliance risks

The organisation operates in a legal and regulatory framework that imposes certain obligations on it and helps protect its rights. This category of risks includes risks that arise when an organisation is unable to fulfil its legal obligations or protect its rights.

Climate change

Description

- Company's failure to meet carbon reduction targets imposed by government
- Government may bring in regulations impacting operations continuance with the current level of carbon emissions
- Enhanced scrutiny by investor community, proxy firms including shareholders over climate change action which may impact market capitalisation

Mitigation

- Reduce energy intensity by use of energy efficient processes and equipment and their continuous upgradation
- Establish systems for monitoring and conducting periodic reviews of receipts, generation and consumption of all forms of energy
- Benchmark our performance with the best standards, set targets, document and communicate at all levels and provide resources to achieve targets
- To reduce CO_2 intensity by adopting the best technologies and practices across all functions—from manufacturing to distribution
- To reduce energy intensity while continuously increasing the ratio of green energy and alternate raw materials and fuels
- Minimising transport emissions by gradually migrating to environment-friendly modes such as Green transport vehicles
- Measurement and monitoring of water sourcing and consumption
- Implement ISO 20400 sustainable procurement in the near term

Rating

High

Risk management

Compliance risks

Sustainability

Description

- Risk of non-compliance with regulatory, societal and investor expectations of corporate and environmental sustainability
- Risk of governance, sustainability or societal factors affecting financial condition or operating performance of the business
- Poor/ average ESG rating standards may cause lack of interest/ exit of marquee investors in the Company

Mitigation

Environment

- Conserving and preserving the natural environment across the length of the business value chain
- Preserving endemic, threatened or endangered species and protecting the natural habitat around the plant premises

Social

- Ensure Zero fatalities
- Continually improve the safety management system by carrying out regular safety audits
- Start a skill development training centre by 2030
- Focus on building stronger bonds and relationships with its customers and partners

Governance

- Consistently working towards meeting regulatory and compliance obligations, while aligning with the best practices of transparency and accountability
- Timeliness of response for whistle-blower incidents

Rating

High

Capacity expansion – Ahead of time

With the objective of strengthening our foothold in the cement industry, we have consistently concentrated on doubling our capacity every decade since our establishment. Notably, we have successfully reached and even surpassed our targets ahead of schedule, and we anticipate maintaining this positive momentum. The expansion of our capacity is a consequence of both organic and inorganic growth strategies.

Starting as a 200 TPD (tonnes per day) manufacturer in the mid-1980s, we have undergone remarkable growth, currently standing at 10.50 MTPA. The acquisition of Andhra Cement Limited (ACL) in FY2023 added 2.25 MTPA to our existing capacity of 8.25 million. During the year, we experienced substantial volume growth of 14% YoY. This growth was primarily attributed to the commissioning of new capacities in Jeerabad, M.P. (Central: 1.0 MTPA), and Jajpur, Odisha (East: 1.5 MTPA)

SGC key advantage

Plants located in close proximity to major markets in the South and select markets in Maharashtra, Odisha and Madhya Pradesh

Average lead distance below 300 kms

Strong sales network – 3,055 dealers and 7,420 sub-dealers

Strategic expansion plan

Capturing up-cycle in South region

- SCRL strategic acquisition providing superior access and short lead distance to increase profitability
- ACL acquisition helps in more penetration into south markets

Expand market reach in Eastern and Central region

- Bayyavaram grinding unit's 1.5 MTPA strategic location with slag availability and clinker from mother plant
- Jajpur grinding unit in Odisha 1.5 MTPA with slag availability and clinker from mother plant
- Jeerabad 1 MTPA Integrated Plant in Madhya Pradesh will cater Madhya Pradesh, Gujarat and Maharashtra

Further expansion plan

We plan to invest ₹ 470 Crores in Andhra Cement for modernisation and upgradation of capacities. Post the upgradation, the installed capacity of SGC group will be 11.25 MTPA by end of FY2026.

3* MTPA
Cement capacity

2.31* MTPA
Clinker capacity

* revised capacities after upgradation

Roadmap to 2035

We foresee an increasing demand in the construction industry, driven by the government's infrastructure initiatives and supportive policy decisions that bolster the housing sector. This is expected to generate robust demand for cement nationwide. In line with this optimistic outlook, our goal is to augment our production capacity to 20 MTPA by the year 2035. We plan to do this through debottlenecking – upgradation and organic and inorganic expansion.

We are committed to creating long-term value for our stakeholders through best practices that minimises our environmental impact and promote the well-being and prosperity of our people and communities.

Sustainable progress

The environment around us

Key material issues: Energy | Emissions | Resources | Water | Waste | Biodiversity

We recognise the important role that the cement industry and construction sector must play in the transition to a low-carbon and circular world.

With our ESG Vision 2030, we are transforming to achieve sustainable excellence through climate action, circularity, and natural resource management, with the primary objective of becoming a net-zero CO_2 Company by 2050, while offering our customers the best sustainable construction solutions.

Energy

The process of cement manufacturing is highly energy-intensive. Hence, it is crucial to implement state-of-the-art energy management practices and effective efficiency measures to contribute to a low-carbon economy, minimising the impact on climate change. SGC has been a pioneer in embracing newer and innovative technologies with the goal of enhancing efficiency.

Key highlights of FY2024

1,52,11,513 GJ
Total energy consumption

5,90,611 MT
Total fuel consumption
(including Alternate fuel)

4,07,940 MWh
Non-renewable energy consumption

49,248 MWh
Waste heat recovered

74.71 kwh/tonnes
Energy intensity

52,584 MWh
Green energy consumption

23.96 MW
Clean energy capacity

Key initiatives

- **1.35 MW** and **130 KW solar plants** are in operation at our Mattampally and Bayyavaram locations, respectively
- Implemented **WHRS of 8.80 MW** at Mattampally and 5.30 MW at Jeerabad
- A **80 KW solar roof panel** is operational at our corporate office
- At the Mattampally unit, we have **improved green energy generation** by adding a damper to optimise hot gas utilisation in the bypass duct
- **Feasibility study** for the establishment of 10 MW solar and 30 MWh battery facility in Gudipadu plant

Action plan

- Reduce energy intensity through implementation of energy efficient processes and upgradation of equipment
- Minimise energy losses and maximise waste energy recovery
- Implement systems for monitoring energy generation and usage
- Add additional solar power plants
- Install WHRS power plants for all kilns

Emissions

Producing cement and concrete with lower carbon emissions involves not only advancing new technologies but also enhancing the effectiveness of proven methods. Leveraging our knowledge and experience, we aim to efficiently recover energy from alternative fuels and increase the utilisation of co-processing materials from various sectors in our cement plants.

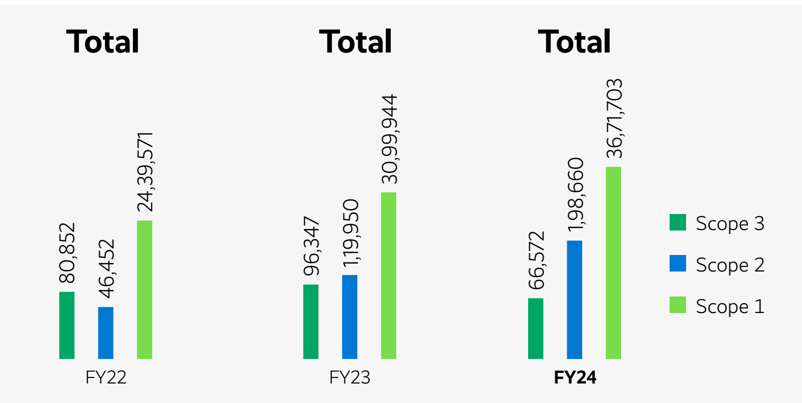
Key highlights of FY2024

677 Kg CO_2/tonnes of cementitious
GHG intensity

232 MT
SOx emission

2,820 MT
NOx emission

Carbon emission (tCO_2e)



Key initiatives

- Deployed two electric trucks (35 tonnes Net load) into our operations at Bayyavaram unit. These vehicles are dedicated to the transportation of slag and cement from the plant to Visakhapatnam
- We have commissioned two e-loaders at Mattampally plant and at Dachepalli plant of Andhra Cements respectively and total amount of CO_2 reduction by deploying EV trucks and loaders in FY 2023-FY 2024 is 592 MT CO_2
- Initiated a pilot project for biomass cultivation at the Mattampally Plant and allocated approximately 20 hectares of land for biomass growth and achieved a CO_2 reduction of 125 metric tonnes
- In Jeerabad plant, audit to identify emission reduction projects was conducted
- Absolute emissions reduced through biomass consumption is 10,557 MT, which is an emission intensity of 1.82 kg CO_2/ tonnes of cementitious

Action plan

- Implementing a comprehensive environmental policy to guide our teams in reducing emissions
- Embracing digitisation and adopting technology throughout the value chain
- Decreasing energy intensity while consistently increasing the proportion of green energy and incorporating alternative raw materials and fuels
- Performance objectives are meticulously mapped across functional units, and regular reporting is conducted

Resources

We are mindful of the fact that the effective use of natural resources is core to its business sustainability strategy. By substituting traditional fossil fuels with alternative fuels, we conserve natural resources, reduce CO_2 emissions, deliver financial proficiencies, and support the circular economy.

Key highlights of FY2024

73,14,201 MT
Limestone mined

5,90,611 MT
Fuel consumed

1,41,939 MT
Gypsum consumed

1,60,107 MT
Iron ore consumed

442 MT
Iron sludge consumed

Key initiatives

- Advanced our green purchasing agenda by embracing innovative practices and technology
- Consistently acquiring energy and water-efficient products, actively reducing the procurement of hazardous materials
- There has been an overall increase in the utilisation of recycled materials, aligning with the principles of a circular economy
- Framed policy for resource efficiency and climate

Action plan

- Prioritising materials, products, and services with a lower environmental impact compared to equivalent market alternatives
- Incorporating the principles of reduce, reuse, and recycle into the sourcing model and our operations
- Encouraging suppliers and partners to embrace best-in-class practices
- Raising awareness through training and development initiatives on material conservation and resource efficiency

Water

Freshwater is vital for sustaining vibrant communities, thriving businesses, and natural ecosystems. It is imperative that we use it judiciously to safeguard water resources for the enduring prosperity of our operations, the local environment, and the communities that depend on it.

Our water strategy encompasses zero liquid discharge and the implementation of rainwater harvesting at all plant locations. We consistently upgrade our water filtration plants and are transitioning from water to air cooling systems to minimise and conserve water usage.

Key highlights of FY2024

8,99,112 KL
Total water withdrawn

1,16,515 KL
Total water recycled/ reused

155 L/tonnes
Cementitious water intensity

100%
Industrial water requirement through rainwater harvesting

28 unit
Rainwater harvesting structures created

Key initiatives

- Actively working to diminish water consumption at all levels and taking proactive initiatives for groundwater recharge
- Deployed Air-Cooled Condensers in our WHRS and condensate polishing plants to reduce water consumption
- Over the past decade, we have steadily decreased water usage and reduced reliance on freshwater withdrawals through measures like rainwater harvesting at our plants and neighbouring communities by reuse, recycle of wastewater. Reject water of N-pit and softening plant is recycled and reused

Action plan

- Implementing a water reporting system that includes detailed information on specific water consumption
- Conducting measurement and monitoring of water sourcing and consumption
- Establishing recycling and treatment processes for rejected water, facilitating its reuse in various processes and plantation activities
- Promoting awareness about water conservation among users

Water consumption pattern (in KL)

Source of water	FY2024	FY2023	FY2022
Surface	6,30,198	4,99,775	3,47,835
Ground	2,43,714	2,85,105	2,01,202
Total water consumed (Surface+Ground+Other Sources)	**8,99,112**	**7,96,369**	**5,49,037**

Waste

We believe waste is a potential material that can begin a new cycle of production. Our efforts are directed towards improving waste management across our value chain. We practice waste minimisation, wherever practically possible. This involves reducing the amount of waste materials generated, especially hazardous materials, and enhancing process efficiency. We are dedicated to conforming, to all regulations concerning the safe and responsible management of waste materials.

Extended Producer Responsibility

Sagar Cements successfully submitted its Annual Report for EPR compliance on October 28, 2023, detailing the operations of our Mattampally, Gudipadu, and Bayyavaram units for FY2023. On 10th October 2023, M/s. Karma Ecotech Limited transferred 4165.00 certificates of category-II plastic to our wallet via the Centralised EPR plastic portal. In preparing the 2022-23 Annual Report, we utilised 1,393 certificates, leaving us with 2,772 certificates for the FY2024 annual return filing, in alignment with MOEF&CC and CPCB guidelines. Our commitment is to utilise these certificates before 31st April 2024.

Key initiatives

- Fly ash, slag, gypsum, oil and metal scrap are consumed a responsible manner with zero hazardous waste sent to landfills
- Meetings are conducted with partners and stakeholders to promote the use of blended/low carbon cement

Total waste disposed

Type of waste (MT)	FY2024	FY2023	FY2022
Hazardous waste generated	40.8	23.80	48.10
Non-hazardous waste generated	66,687	58,806	63,077
Plastic waste generated	71.5	21	28
E-waste generated	0.723	0.08	3.48
Bio-waste generated	0.067	0.03	0.11
Total waste generated	**66,800**	**58,851**	**63,156**

Total waste generated and consumed within our company

Type of waste	Unit	FY2024	FY2023	FY2022
CPP fly ash and coarse ash (consumption)	tonnes	44,451	52,365	42,141
CPP bed ash	tonnes	4,430	5,155	2,014
Waste oils and lubricants	tonnes	26	20	44
Oils and Oil soaked cotton waste	Kg	1,295	1,372	1,207
Total waste generated and consumed	**tonnes**	**48,909**	**57,542**	**44,201**

Waste

Key initiatives

Waste generated and disposed to third party

Type of waste	Unit	FY2024	FY2023	FY2022
Steel scrap	tonnes	1,886	1,966	1,141
Belt Scrap	tonnes	10	13	10
Batteries (Each weighted 10kg)	Number	80	235	280
E-waste	Kg	723	82.64	3,484
Pharma & Hospital Waste	Kg	67	30.06	109.29
Others	tonnes	1,650	25	29
Old & Damaged tyres (Each weighted 5 Kg)	No's	0	140	33
HDPE Scrap	Kg	16,680	20,920	27,520

Alternate fuel & waste materials consumed

Type of waste (MT)	FY2024	FY2023	FY2022
Chemical Gypsum	93,687	1,72,347	79,287
Fly ash	7,08,079	4,63,877	2,73,570
Slag	5,35,758	3,34,492	2,77,367
Spent Carbon	7,669	4,509	7,943
Carbon Black	677	75	156
Iron Sludge	442	1,557	2,868
Shredded Plastic	2,126	557	320
Residue Derived Fuels	0	1	96
Organic Residue	9,229	7,948	2,830
Organic Liquid Solvents	17,322	15,988	11,718
Rice Husk	121.3	5,006	4,628
Organic Waste	0	462	516
Chrome Sludge	13,625	16,236	0
Wooden Chips	7,838	188	0
Dolachar	903	1,265	1,013
Saw Dust	1,719	-	-
Total – AFR	**13,99,196**	**10,24,507**	**6,62,313**

Action plan

- Minimising waste generation through a hierarchical approach that prioritises reduction, reuse, recycling, and recovery, leveraging viable technologies
- Ensuring environmentally acceptable collection, storage, transportation, and disposal of all waste
- Promoting the use of blended cements, utilising waste and by-products from other industries
- Implementing best practices for sourcing and consuming Refuse Derived Fuel (RDF) in the kiln process with the overarching goal of reducing environmental impact
- Developing a framework for incorporating construction waste into production processes

Biodiversity

As a large-scale landholder, our approach to the preservation of land and protecting biodiversity is an integral part of the way we operate. We strive to improve natural habitats and encourage a culture of appreciation and respect for biodiversity across our locations.

Key highlights of FY2024

33%
Company premises are fully compliant with CPCB guidelines

Actively participating in 'Harita Haram'
Telangana government initiative for afforestation

Key initiatives

- Regularly conduct biodiversity assessments at all our plant locations to gauge the potential impact of our operations on the volume of flora and fauna
- Consistently conduct awareness sessions among local communities to promote biodiversity conservation
- Invest in employee training for biodiversity management, enabling employees to become certified biodiversity lead auditors and assigning them the responsibility of managing biodiversity in and around the plants
- Implement biodiversity management plans across all our plant locations in alignment with our biodiversity policy
- Exceeded our commitment by planting more than 25,000 saplings against the target of 10,000 saplings per year
- Embraced the concept of Miyawaki forest to increase the green cover and nurture biodiversity at our Gudipadu site

Action plan

- Engaging in biodiversity conservation through collaborative partnerships with pertinent stakeholders, including local governments, farmers, local communities, self-help groups, and non-governmental organisations
- Enhancing carbon sequestration by undertaking initiatives such as restoring degraded village commons, riverbanks, tanks, establishing foreshore plantations, and contributing to the development of community-managed forests

The people amidst us

Key material issues

Employee well-being

Health and safety

Suppliers and partners

Communities

At SGC, we are building progress for employees, partners and communities by upholding the highest human rights standards and spearheading a wide range of social initiatives.

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

Employee well-being

At SGC, we offer all our members a defined talent value proposition to challenge, enrich and fulfil their aspirations so that they can maximise their true potential to 'make a difference'.

The ongoing development of our people as a means of attraction and engagement, increased productivity and safety is at the core of our people strategy. We have an expectation that all employees will be involved in some form of learning whether it be on the job, being coached or mentored, sharing knowledge through communities of practice or by attending formative programmes. Our employees enjoy several benefits such as health insurance and maternity leave. They are also covered under retirals that include provident fund, gratuity and employee state insurance.

We constantly endeavour to ensure an inclusive and positive work environment for this diverse workforce. We are committed to:

- Creating and sustaining a diverse and inclusive workplace with zero tolerance to any form of discrimination/harassment
- Ensuring there is no bias and all members have equal access to information and opportunity
- Accepting and appreciating diverse points of view/ new ideas/unpopular opinions leading to enhanced creativity, innovation and high performance
- Maintaining corporate etiquette and professional demeanour on all occasions while exercising freedom of expressions and thoughts

Key initiatives

Regular employee satisfaction surveys are conducted and Employer Net Promoter Scores (eNPS) are measured.

Employee diversity

Permanent employees	Below 30	30-50 years	Over 50 years	Total
Male	143	781	248	1,172
Female	2	13	2	17
Total	**145**	**794**	**250**	**1,189**

Temporary employees	Below 30	30-50 years	Over 50 years	Total
Male	696	1,289	122	2,107
Female	7	79	9	95
Total	**703**	**1,368**	**131**	**2,202**

Key highlights of FY2024

321
New employees hired

84.16%
Retention rate

2.22
Employee Productivity (tonne/FTE)

34,009
Total training hours

6,080
Employee skill development training hours

15.84%
Employee turnover rate

Action plan

- Our Company plans to gauge employee engagement through various parameters, including Pulse and Great Place to Work surveys, as well as recognition through awards such as Top Employer and Randstad
- Through the establishment of an Integrated Management Manual and BR Policy, our Company will outline its dedication to employee well-being and the creation of secure working environments

Health and safety

At SGC, we put safety first, as demonstrated by our values and our declared ambition to achieve zero harm. Our culture of safety sets us apart and is driven by employees and management at every level as we work to achieve our common goal – that nobody gets hurt at work.

Key highlights of FY2024

One
Fatality

217
Near misses

52,71,382
Safe man-hours

Key initiatives

- Safety protocols are integrated into every operation through an occupational health and safety management system
- The identification and assessment of hazards and risks (HIRA) effectively manage and mitigate the occurrence and severity of accidents in both routine and non-routine high-consequence tasks
- Medical personnel are on standby to address any emergencies that may arise on the premises
- Framed new policy for health and safety
- Facilitated workshops on ISO 26000, ESG framework, social issues and road safety

Action plan

- Introducing contractors and other stakeholders to the Sagar Safety Vision during the onboarding process
- Assessing suppliers and contractors based on significant Health, Safety, and Environmental (HSE) parameters as a key qualification criterion
- Implementing incentives for individuals to report near-miss cases, with a commitment to conducting thorough investigations and exercises to mitigate such incidents

Suppliers and partners

Our goal is to offer customers the solutions they need to deliver a sustainable built environment. We aim to develop a world-class sustainable procurement approach that ensures our businesses are equipped to implement and manage a sustainable supply chain.

Key highlights of FY2024

3,055
Channel partners

684
New dealers

Key initiatives

- Implemented a complaint resolution system to address all grievances
- Prioritise engaging with partners who demonstrate environmental responsibility and take measures to minimise their carbon footprint
- Partners undergo regular supplier assessment and engagement based on which their performance on green supply chain initiatives is scored

Vendor engagement

	FY2024	FY2023
Vendors onboarded	742	1,321
New distributors	684	650
Average lead distance	261 km	288 km
Road accidents	0	0

Supplier engagement

	FY2024	FY2023
Suppliers	12,181	10,860
Average supplier availability	95%	96%
Supplier defect rate	2%	2%

Strong connect with channel partners

MSME/Small suppliers	FY2024	FY2023
Percentage of Materials Sourced	13	17
Percentage of the procurement budget used	5	7
Within the district and neighbouring districts and area		
Percentage of Materials Sourced	35	30
Percentage of the procurement budget used	38	40
Indigenous/Vulnerable/ Marginalised Community		
Percentage of Materials Sourced	73	92
Percentage of the procurement budget used	73	92

Action plan

- Safeguarding the confidentiality of customer information
- Demonstrating a social commitment to value chain partners and selecting environmentally responsible supply chain partners as a preference

Communities

We seek to contribute generously and responsibly for the well-being of the communities in which we operate. We aim to remain a corporation that gives back, to uplift and enhance the lives of our neighbours.

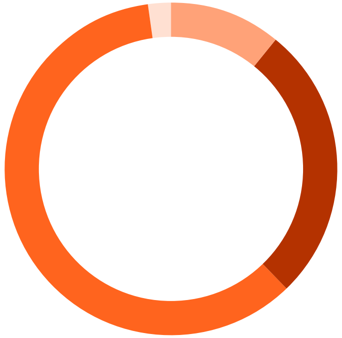
Investment primarily focuses on crucial sectors such as health, education, livelihood generation, and rural development through collaborative social projects with our NGO partners. We have established key performance indicators (KPIs) and targets to periodically assess and oversee these projects. Employees actively involved in corporate social responsibility (CSR) initiatives receive acknowledgement and recognition for their dedicated efforts.

Key highlights of FY2024

1,07,865
Lives impacted

₹ 290.11 Lakhs
CSR spend

FY2024 CSR spend (%)

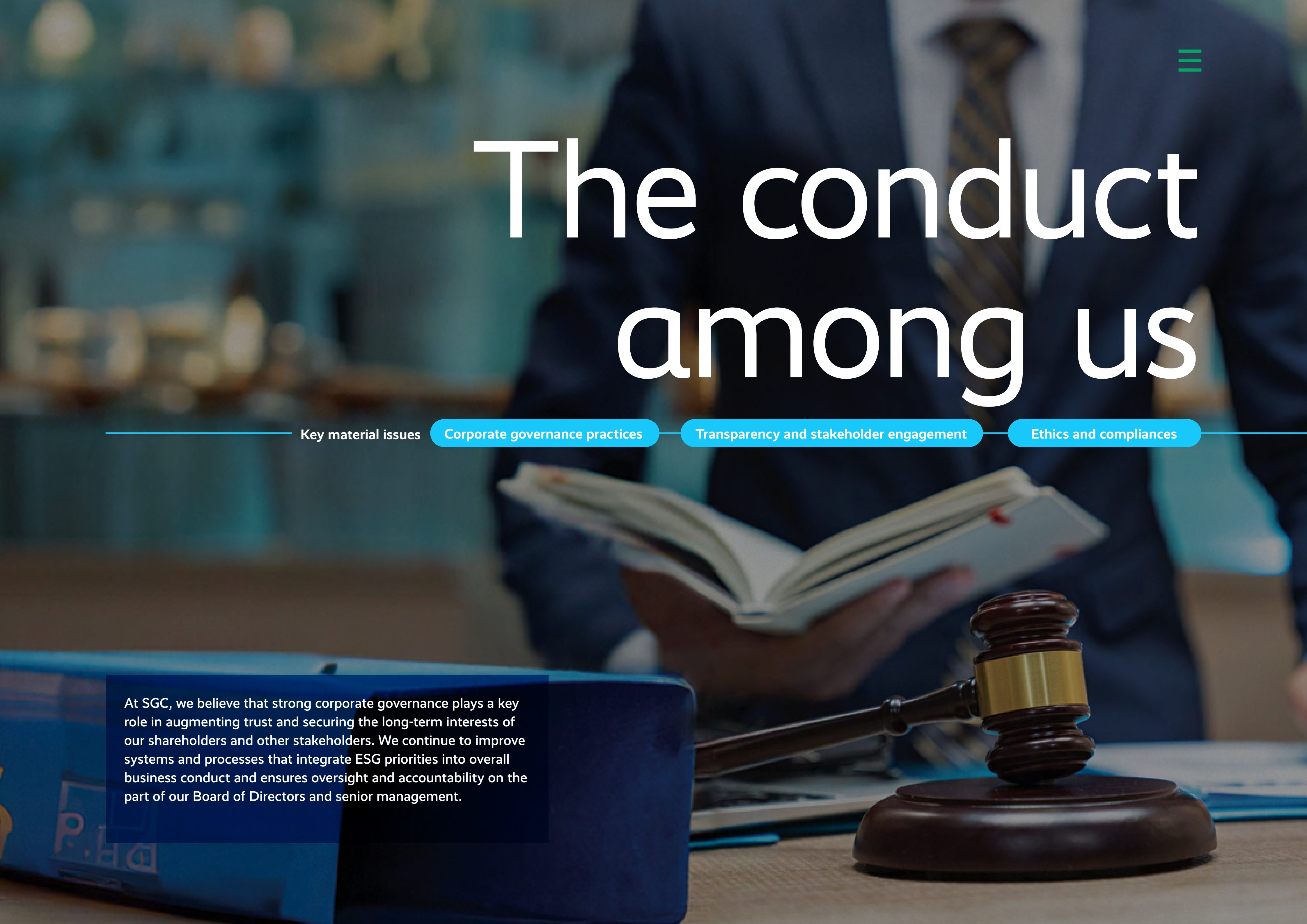


Key initiatives

- Facilitating drinking water supply by providing RO water purifiers. We are also supporting and creating irrigation facilities
- Construction of public toilets
- Providing skill development programmes to graduate students to increase their employability
- Constructing concrete roads and installing streetlights to support infrastructure development in villages
- Distribution of garbage bags and dustbins as part of Swachhata hi Seva campaign
- Helping educational institutions by providing learning material, sports equipment, etc.
- Conducted surveys in the neighbourhood of the Mattampally plant to identify and prioritise initiatives aimed at enhancing the quality of life

Action plan

- Contribute to the PM National Relief Fund and other funds set up by the Central Government for the socio-economic development and welfare of the SC, ST and other backward classes, minorities, and women
- Invest in technologies for community upliftment and development



The conduct among us

Key material issues

Corporate governance practices

Transparency and stakeholder engagement

Ethics and compliances

At SGC, we believe that strong corporate governance plays a key role in augmenting trust and securing the long-term interests of our shareholders and other stakeholders. We continue to improve systems and processes that integrate ESG priorities into overall business conduct and ensures oversight and accountability on the part of our Board of Directors and senior management.

Corporate governance practices

We aim to achieve optimal governance practices by formalising various policies and standards that safeguard human rights while fostering ethical conduct. The trust and reputation of our brand among stakeholders are paramount, and we are committed to consistently ensuring transparency and accountability in our actions. Our Board periodically reviews a set of policies and charters we have established to uphold these principles.

Governance policies

Whistle blower policy | Business responsibility policy | Code of Conduct | Anti-corruption policy | Fair competition policy | Human rights policy | Public policy and political engagement statement | Stakeholder engagement policy | Innovation policy | Bio-diversity policy | Tax management policy | Treasury management policy

The Company lays a strong emphasis on human rights and is intended to extend its scope to cover our value chain partners. Our policies uphold the anonymity and safety of our employees. We commit a fair and equitable treatment to our employees when it comes to salaries and no discrimination is done on the basis of caste, creed, gender, sexual orientation among others. A lot of efforts are spent in educating and sensitising employees to bring to the notice of the relevant committee of any inappropriate observation that might impact the values we work with.

Transparency and stakeholder engagement

At SGC Limited, we consistently foster meaningful dialogues with our stakeholders to comprehend their expectations. We have devised effective engagement methods and plans aligned with international standards, customised to meet stakeholders' specific needs, complete with well-defined objectives and outcomes. These interactions are conducted interactively, allowing stakeholders to openly share their feedback. Subsequently, a dedicated team promptly addresses and resolves their concerns.

Ethics and compliances

Enforcement systems are always on the vigil to prevent, control, mitigate and eliminate corrupt practices, including bribery, fraud, embezzlement, concealment, and trading in influence. A development of a culture that has zero tolerance towards indulging and supporting in any form of corruption. It means enforcing regulations that holds responsible anyone including business partners who may engage into any acts that may be constructed as bribery or corruption. Whistle blower policy provides a safeguard to handle such situations and protects the interests of those who report any violation.

Board's role

The Board is responsible for determining the strategic direction of the Company and exercising prudent control over its affairs. The process involves the Board deciding on the direction for the corporation; reviewing, assessing, and approving the strategic direction and initiatives; and assessing and understanding the issues, forces, and risks that define and drive our long-term performance.

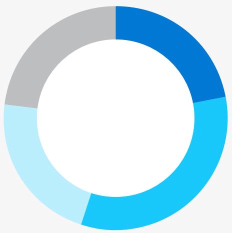
In a supervisory role, the Board monitors corporate performance and executive team behaviour. The Board is there to ensure that the organisation and its executives function ethically and in accordance with a well-defined course of action. This supervision includes strategy development, design and implementation. Board members actively discuss various ESG initiatives and encourage the senior management to take steps beyond regulatory requirements.

Expertise

SGC's Board brings together a wealth of knowledge, perspective, professionalism, divergent thinking and experience. Our Board members have a deep understanding of governance, technical, financial and non-financial issues.

	Business and strategy	Financial expertise	Governance and compliance
Shri. K. V. Vishnu Raju	√	√	√
Shri. Ravichandran Rajagopal	√	√	√
Smt. O. Rekha		√	√
Smt. N. Sudha Rani		√	
Shri. Madhavan Ganesan	√	√	√
Dr. S. Anand Reddy	√	√	√
Shri. S. Sreekanth Reddy	√	√	√
Shri. John-Eric Bertrand	√	√	√
Smt. S. Rachana	√		

Board balance chart (%)



Board demographics

Board experience (%)

Board age profile (%)

Board diversity (%)

55 Years
Median Director age

5 Years
Average tenure of Independent Directors

93%
Average attendance rate in Board meeting

Board committees

The committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their areas or purview. The decisions and recommendations of the Committees are placed before the Board committee meetings focusing on ESG issues and risks occur twice a year.

Following are the committees of the Company:

- Investment Committee
- Securities Allotment Committee
- Corporate Social Responsibility Committee
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Abbreviations

Abbreviations	Full forms
(E)	Estimated figure
<IR>	Integrated Reporting
AFR	Alternative Fuels and Raw Material
AI	Artificial intelligence
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
AP&T	Andhra Pradesh and Telangana
APIDC	Andhra Pradesh Industrial Development Corporation
ASCO	Assurances Continentales
BDM	Bracht Deckers & Mackelbert
BOI	Bank of India
C&F	Clearing and Forwarding
CAGR	Compound Annual Growth Rate
CC	Concrete canvas
CCS	Carbon capture and storage
CCU	Carbon capture and utilisation
CEMS	Community of European Management Schools
CEO	Chief Executive Officer
CFD	Computational Fluid Dynamics
CFO	Chief Financial Officer
CII	Confederation of Indian Industries
CMA	Cement Manufacturers Association
CO_2/Tonne	Carbon dioxide Per Tonne
CPCB	Central Pollution Control Board
CPP	Captive Power Plant
CSR	Corporate Social Responsibility
EBITDA	Earnings Before interest, Taxes, Depreciation and Amortisation
ECLGS	Emergency Credit Linked Guarantee Scheme
EHS	Environment Health and Safety
eNPS	Employer Net Promoter Scores
EPS	Earnings per share
eq	Equivalent
ERP	Enterprise Resource Planning
ESG	Environmental Social and Governance
ESP	Electrostatic Precipitator
E-waste	Electronic Waste
FCS	Fellow Company Secretary
FTE	Full-Time Equivalent
FY	Financial Year

Abbreviations	Full forms
GBC	Guntur Branch Canal
GGBS	Ground Granulated Blast Furnace Slag
GHG	Greenhouse Gas
GPAP	Group Personal Accident Policy
GRI	Global Reporting Initiative
GST	Goods and Services Tax
GTLI	Group Term Life Insurance
HDP	High Density Polyethylene
HIRA	Hazard Identification and Risk Assessment
ICC	Internal Complaints Committee
ICSI	Institute of Company Secretaries of India
IESBA	International Ethics Standards Board for Accountants
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IND AS	Indian Accounting Standard
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature
JCPL	Jajpur Cements Private Limited
JV	Joint Venture
K Cal	Kilocalorie
kL	Kilo litre
Km	Kilometer
kWh/t	Kilowatt Hour Per Tonne
LIS	Lock-in-sula
LTI	Lost Time Injuries
LTIFR	Lost Time Injury Frequency Rate
Ltr/Ton	Litre Per Tonne
M.B.B.S	Bachelor of Medicine and Bachelor of Surgery
mg/nm^3	Miligrams Per Cubic Metre
ML	Machine Learning
MnT	Million Tonnes
MoEFOO	Ministry of Environment Forest and Climate Change
MT	Metric Tonnes
MTPA	Million Tonnes Per Annum
MW	Megawatts
MWh	Megawatt Hour
NBM	National institute of Bank Management
NCLT	National Company Law Tribunal
NOx	Nitrogen Oxides

Abbreviations	Full forms
OPC	Ordinary Portland Cement
PAT	Profit after tax
PGNAA	Prompt Gamma Neutron Activation Analysis Analyzer
PMAY	Pradhan Mantri Awas Yojana
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
PTFE	Polytetrafluoroethylene
RABH	Reverse Air Bag House
RBI	Reserve Bank of India
RDF	Refuse Derived Fuel
RE	Renewable Energy
RO	Reverse osmosis
RoCE	Return on Capital Employed
RoE	Return on Equity
RTM	Risks that Matter
SASB	Sustainability Accounting Standards Board
SGC	Sagar Cements Limited
SCPL	Satguru Cement Private Limited
SCRL	Sagar Cements (R) Limited
SEBI	Securities and Exchange Board of India
SOx	Sulphur Oxides
SRC	Sulphate Resistant Cement
STP	Sewage Treatment Plant
T	Tonnes
tCO_2e	Tonnes of carbon dioxide equivalent per tonne (of cement)
TJ	Terajoule or one trillion (1012) joules
TPA	Tonnes Per Annum
TPD	Tonnes Per Day
TSIDC	Telangana State Irrigation Development Corporation Ltd.
TSR	Thermal Substitution Rate
TUVI	Technischer Überwachungsverein India
UCL	University of Louvain
VFDs	Variable Frequency Drives
WHRS	Waste Heat Recovery System
YoY	Year-on-year

Independent Assurance Statement

The Directors and Management,
Sagar Cements Limited
Plot No. 111, Road No. 10, Jubilee Hills, Hyderabad,
Telangana-500033, India.

Introduction and Engagement

Sagar Cements Limited (hereafter 'SGC' which includes Sagar Cements Limited) commissioned TUV India Private Limited (TUVI) to conduct the independent external assurance of non-financial ESG performance indicators disclosed in SGC's Sustainability Report (hereinafter the 'Report') for the period 1st April, 2023 to 31st March 2024. This engagement was comprised a "limited level of assurance" of SGC's sustainability information for the applied reporting period. The Verification was conducted using an on-site assessment from 22 - 23 April 2024 at the SGC Corporate Office-Jubilee Hills, Hyderabad, Telangana as listed under "Scope and Boundary" below. The Report is based on the principles of GRI Standards (hereafter 'GRI'). This assurance engagement was conducted in accordance with ISAE 3000 (revised).

Management's Responsibility

SGC developed the Report's content by monitoring the performance data. SGC management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web based and print), including website maintenance and integrity, and for ensuring its quality and accuracy in reference with the applied criteria stated in the GRI Standards in such a way that it is free of intended or unintended material misstatements.

Scope and Boundary

The scope of work includes limited assurance of the following non-financial performance/ KPI disclosures as disclosed in the Report. In particular, the assurance engagement included the following:

i. Review of the disclosures submitted by SGC;

ii. Review of the quality of information;

iii. Review of evidence (on a sample basis) for identified non-financial indicators TUVI has verified the below-mentioned disclosures given in the Report:

TUVI has verified the below-mentioned disclosures given in the Report:

Topic	GRI Disclosure
GRI 301: Materials	301-1, 301-2 301-3
GRI 302: Energy	302-1, 302-2, 302-3, 302-4, 302-5
GRI 303: Water and Effluents	303-1, 303-2, 303-3, 303-4, 303-5
GRI 304: Biodiversitv	304-1, 304-2, 304-3, 304-4
GRI 305: Emissions	305-1,305-2,305-3,305-4, 305-5, 305-6, 305-7
GRI 306: Waste	306-1, 306-2, 306-3,306-4, 306-5
GRI 308: Supplier Environmental Assessment	308-1, 308-2
GRI 401: Employment	401-1, 401-2, 401-3
GRI 402: Labor/Management Relations	402-1
GRI 403: Occupational Health and Safety	403-1,403-2,403-3,403-4,403-5,403-6,403-7,403-8,403-9,403-10
GRI 404: Training and Education	404-1,404-2, 404-3
GRI 405: Diversity and Equal Opportunity	405-1, 405-2
GRI 406: Non-discrimination	406-1
GRI 407: Freedom of Association and Collective Bargaining	407-1
GRI 408: Child Labor	408-1
GRI 409: Forced or Compulsory Labor	409-1
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GRI 414: Supplier Social Assessment	414-1,414-2
GRI 416: Customer Health and Safety	416-1, 416-2
GRI 417: Marketing and Labeling	417-1, 417-2, 417-3
GRI 418: Customer Privacy	418-1

Independent Assurance Statement

The reporting boundaries for the above topics include 04 manufacturing units & 02 Grinding units across India. The onsite visit was conducted in the month of April 2024 for the below location:

Onsite Verification

The onsite verification was conducted at Hyderabad Corporate Office (April 22 - 23, 2024). The assurance activities were carried out together with a desk review of other cement manufacturing units located at Mattampally, Jeerabad, Gudipadu, Dachepalli and the grinding units at Jajpur, Bayyavaram as per reporting boundary i.e. SGC India operations as stated above.

Limitations

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement.

Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion. On the basis on the work performed. This engagement did not include an assessment of the sufficiency of the principles of GRI Standards: Core option, and ISAE 3000 (revised), other than those mentioned in the scope of the ESG data assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial Quantitative and qualitative information disclosed by SGC. This assurance engagement assumes that the data and information provided to us by SGC are reliable, complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

a) TUVI examined and reviewed the documents, data, and other information made available by SGC for non financial disclosures;

b) TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of SGC;

c) TUVI reviewed the level of adherence to principles of GRI standards

The Report was evaluated against the following criteria:

Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the GRI Standards

TUVI adopted a risk-based approach, focused on verification efforts on the issues of high material relevance to SGC business and its stakeholders. TUVI has verified the statements and claims made in the Report and assessed the robustness of the underlying data management system, information flows and controls. In doing so:

a) TUVI reviewed the approach adopted by SGC for the stakeholder engagement and materiality determination process. TUVI performed the interviews of internal stakeholder engagement to verify the qualitative statements made in the Report;

b) TUVI verified the disclosures and claims made in the Report and assessed the robustness of the data management system, information flow and controls;

c) TUVI examined and reviewed the documents, data and other information made available by SGC for the reported disclosures including the disclosure on Management Approach and performance disclosures;

d) TUVI conducted interviews with key representatives including data owners and decision-makers from different functions of the SGC during the remote assessments;

e) TUVI performed sample-based reviews of the mechanisms for implementing the ESG related policies, as described in SGC Report;

f) TUVI verified sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report for the reporting period.

Opportunities for Improvement

The following are the opportunities for improvement reported to SGC. However, they are generally consistent with SGC management's objectives and programs. SGC already identified below topics and Assurance team endorse the same to achieve the Sustainable Goals of organisation.

i. An internal audit of ESG data can be conducted;

ii. Supplier assessment can be performed in reference to ISO 20400;

iii. Organisation can accelerate the application of renewable energy at each site to increase the share of renewable energy;

iv. SGC may develop online tool to evaluate the sustainability performance on monthly basis;

v. SGC may induct parameter "% diversion of waste from landfill" as one of the reporting disclosures;

vi. SGC may apply the SROI outcomes to prioritise the CSR projects ISO 27001 information security system management can be opted by the Company.

Independent Assurance Statement

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on sustainability performance reported in the Report along with the referenced information provides a fair representation of the material topics, related strategies, and performance disclosures and meets the general content and quality requirements of the GRI Standards: Core option.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in accordance with the "Core" option. SGC refers to general disclosure to report contextual information about SGC, while the Management Approach is discussed to report the management approach for each material topic.

Universal Standard: SGC followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organisation's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organisation manages a material topic. TUVI is of the opinion that the reported specific disclosures for each material topic generally meet the GRI Standards reporting requirements.

Topic Specific Standard: 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to report information on the organisation impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that SGC used to prepare its Report are appropriately identified and addressed.

Limited Assurance Conclusion: Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria of the GRI Standards.

Report complies with the requirements of the Guiding Principles of the GRI standard.

A. **Strategic focus and future orientation:** The messages of top management, business model, action and strategies, focus on products, risk management, human drive, and priorities are disclosed appropriately. The information in the Report provides insight regarding strategy and organisation's ability to create value (short, medium and long term) and effects on the capitals.

B. **Connectivity of information:** SGC discloses various capitals and their inter-relatedness and dependencies with factors that affect the organisation's ability to create value over time.

C. **Stakeholder relationships:** The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritise the short, medium and long-term strategies. The Report provides insights into the organisation's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organisation understands, takes into account and responds to the legitimate needs and interests of key stakeholders.

D. **Materiality:** The materiality assessment process has been carried out, based on the requirements of "Guidance for the preparation of integrated reports". The Report reflects how SGC has appropriately identified issues that affect its value creation, have high importance to its stakeholders, linked to strategy and governance considering aspects that are internal and external to the SGC's range of business. The Report fairly brings out the aspects and topics and its respective boundaries of operations. The Report discloses information on material topics that substantively affect SGC's ability to create value over the short, medium and long term.

E. **Conciseness:** The Report does not repeat the same information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation are applied. At the same time, due care is taken to maintain continuity of information flow in the Report.

F. **Reliability and completeness:** SGC has established internal data aggregation and evaluation systems to derive the performance. The reported data is duly verified and authenticated by SGC. The majority of the data and information was verified by TUVI's assurance team during the assessment of the Sustainability Report and found to be fairly accurate. All material matters, positive and negative, are reported transparently, in a neutral tone and without material error.

G. **Consistency and comparability:** The information in the Report is presented on an annual basis in a reliable and complete manner. Thus, the principle of consistency and comparability is established.

This assurance statement has been prepared in accordance with the terms of our engagement and ISAE 3000 (revised) requirements

Independence: TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the Assurance Team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The Assessment Team was safeguarded from any type of intimidation.

Quality control: The Assurance Team complies with the Code of Ethics for Professional Accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In the context of Assurance, the following contemporary principles has been observed:

Evaluation of the adherence to other contemporary Principles

Inclusivity: Stakeholder identification and engagement is carried out by SGC on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

Materiality: The materiality assessment process has been carried out based on the requirements of the GRI Standards, considering topics that are internal and external to the SGC range of businesses. The Report fairly brings out the aspects and topics and their respective boundaries of the diverse operations of SGC. In our view, the Report meets the requirements.

Responsiveness: TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e., disclosures on SGC policies and management systems, including governance. In our view, the Report meets the requirements.

Impact: SGC communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Ethical and other policies. SGC reports on sustainability performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement. The intended users of this assurance statement are the Management of SGC. The Management of the SGC is responsible for the information provided in the Report as well as the process of collecting, analyzing, and reporting the information presented in web- based and printed Reports, including website maintenance and its integrity. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information (Sustainability Performance) disclosed by SGC in the Report. This assurance engagement is based on the assumption that the data and the information provided to TUVI by SGC are complete and true.

Our Assurance Team and Independence

TUVI is an independent, neutral third party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "No Conflict of Interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with SGC on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited

Manoj Kumar Borekar

Project Manager and Reviewer

Head – Sustainability Assurance Service

Project Reference No: 8120207839 — Date: 06-05-2024

www.tuv-nord.com/in — Place: Mumbai, India

GRI content index

Gri standard / Other Source	Disclosure	Location
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	2-19 Remuneration policies	104
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Strategy, policies and practices	2-22 Statement on sustainable development strategy	19-21
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GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	
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	403-5 Worker training on occupational health and safety	146
	403-6 Promotion of worker health	147
	403-8 Workers covered by an occupational health and safety management system	147
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DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present their Forty Third Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended 31st March, 2024.

Financial Results

This discussion on the financial performance and results of operations of your Company for the year ended 31st March, 2024, which are summarised below, should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (M) Private Limited and Andhra Cements Limited.

(₹ in Lakhs)

Description	Stand-alone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	1,90,755	1,96,382	2,50,461	2,22,954
Other Income	5,391	22,658	5,412	22,270
Total income	**1,96,146**	2,19,040	**2,55,873**	2,45,224
Total expenses	1,72,485	1,81,533	2,25,870	2,07,636
Profit before Interest, Depreciation and Tax	23,661	37,507	30,003	37,588
Less: Finance Cost	7,509	15,972	18,483	20,164
Depreciation	11,651	11,355	21,411	15,577
Profit before tax	4,501	10,180	(8,412)	1,847
Total Tax	1,384	2,827	(3,207)	886
Profit after Tax	3,117	7,353	(5,205)	961
Other Comprehensive Income	(93)	14	(86)	15
Total Comprehensive Income	3,024	7,367	(5,291)	976
Basic & Diluted Earnings per share of ₹ 2 each	2.38	5.68	(3.98)	0.74

Performance

During the year the Consolidated Revenue from Operations stood at ₹ 2,50,461 Lakhs, registering an increase by 12% as compared to previous year and EBITA stood at ₹ 24,591 Lakhs, registering an increase by 61% as compared to previous year. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2023-24 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

Dividend

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

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

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

Transfer to reserves

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

Share Capital

Authorised Share Capital:

The Hon'ble National Company Law Tribunal, Hyderabad Bench vide its order dated 14th September 2023 approved the Scheme of Amalgamation of Jajpur Cements Private Limited ("Transferor Company"), a Wholly-owned Subsidiary with the Company. By virtue of which, the authorised share capital of the Transferor Company (i.e. Equity Share Capital of ₹ 1,10,00,00,000/)- was merged with the authorised share capital of the Company w.e.f. the date of order as mentioned above.

Accordingly, the authorised share capital of the company increased from ₹ 1,82,50,00,000 to ₹ 2,92,50,00,000/- comprising of 1,24,75,00,000 Equity Shares of ₹ 2/- each and 4,30,00,000 Preference Shares of ₹ 10/- each as on 31st March, 2024.

Paid-up Share Capital:

As on 31st March, 2024, the paid-up share capital of the company was ₹ 26,14,15,096/- divided into 13,07,07,548 equity shares of ₹ 2/- each.

Utilisation of funds raised through issue of Equity Shares

The sum of ₹ 3,50,00,00,220/- raised during the year 2022-23 through issue of Equity Shares on a preferential basis has been fully utilised for the purpose for which it was raised and there has been no deviation or variation in utilisation of this sum.

During the FY2024, no funds were raised through Rights Issue, Preferential issue etc. and hence there is no requirement to provide any explanation as required under Regulation 32(4) of the SEBI (LODR) Regulations, 2015.

Subsidiaries, Joint Ventures and Associate Companies

The performance of your subsidiaries viz., M/s. Sagar Cements (M) Private Limited (formerly known as Satguru Cement Private Limited) and M/s. Andhra Cements Limited, both of which were acquired by your company, is satisfactory and on the expected lines.

With a view to achieving more synergy in the operations of your group as a whole, Jajpur Cements Private Limited (wholly owned subsidiary) has since been merged with the holding company, Sagar Cements Limited vide order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 14th September 2023.

Salient features of the financials of the above mentioned two subsidiaries have been given in form AOC-1 as **Annexure-1** to this report. Your Company does not have any Joint Ventures or Associate Companies.

Pursuant to the approval accorded by the Board on 26th February, 2024. Your Company has made an offer for sale (OFS) of 46,08,607 equity shares of face value of ₹ 10/- each through stock exchange mechanism equivalent to 5% of the total issued equity share capital of Andhra Cements Limited, a subsidiary company for achieving Minimum Public Shareholding by Andhra Cements Limited. Accordingly the shareholding in Andhra Cements Limited stands at 90%.

Performance of your Company's Plants

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

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

Details relating to future outlook, risk management system and internal control and its adequacy have been given in detail in the Management Discussion and Analysis Report, which is part of the Directors Report. The Company has an adequate Internal Financial Control System, commensurate with the size, scale and complexity of its operations.

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

Human resource development and Industrial Relations

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

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

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

Sexual Harassment

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

Awards and Recognitions

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

Further your company has achieved following awards:

Mattampally unit:

- was awarded with "Best Management Award" by Labour Department, Government of Telangana in May, 2023
- was awarded 2nd Prize in Mines Safety week by Mines Safety and Productivity Council in December, 2023
- was awarded Excellence on ESG Parameters Award by QCFI in January, 2024
- was awarded 3rd prize in the large mechanised mines by Mines Environment & Mineral Conservation Week 2023-24 in March, 2024

Bayyavaram unit:

- was awarded National award for excellence in Energy Management in September, 2023
- has received QCFI Excellence Award in Energy, Health & Safety and Water
- has received Management Appreciation to the team leaders QCFI Excellence Award in Energy, Health and Safety and Water
- has received CII Safety Leadership Award for the year 2023

Gudipadu unit:

- was awarded 24th National Award for the year 2023 for Energy Efficient Unit by CII in September, 2023
- has received Best performance award felicitated by Bureau of Indian Standards, Andhra Pradesh in January, 2024 for the products of OPC and PPC for Zero failures for the last three consecutive years
- was categorised as Excellent Unit for the 3rd Edition of National Awards from Quality Circle Forum of India, Hyderabad Chapter in the following modules:
  a. Water Excellence
  b. Bio-Diversity
  c. Climate Change Mitigation
  d. AFR Excellence
  e. Environmental Excellence
  f. Health and Safety Excellence
  g. Productivity Excellence

Directors Responsibility Statement

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

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

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

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

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

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

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

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr. S. Anand Reddy and Shri John-Eric Bertrand will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Necessary resolutions seeking the approval of the members for the re-appointments have been incorporated in the notice of the Annual General Meeting of the company.

Further, Dr. S. Anand Reddy and Shri S. Sreekanth Reddy will be holding their current Office as Managing Director and Joint Managing Director respectively till 30th October, 2024 and your Board on the recommendation of its Nomination and Remuneration Committee has re-appointed these directors in their respective office. The resolutions seeking the approval of the members for the above said re-appointments have been incorporated in the notice of the annual general meeting of the company.

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

During the financial year, Shri R.Soundararajan, Company Secretary and compliance Officer retired from services with effect from 10th November, 2023 and in his place, the Board of Directors appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11th November, 2023.

Independent Directors Declaration

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

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

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

Number of meetings of the board

During the year 2023-24, six meetings of the board were held and the details of these meetings of the Board as well as its Committees have been given in the corporate governance report, which forms part of the Integrated Report.

Credit Rating

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

Policy on directors' appointment and remuneration and other details

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

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

Board evaluation

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

Change in the Nature of Business

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

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (FR No.008072S), who were re-appointed as Statutory Auditors of the company by the Shareholders at their 39th Annual General Meeting held on 9th September 2020 for a second consecutive term of 5 years will be holding their said office from the conclusion of the said Annual General Meeting till the conclusion of the 44th Annual General Meeting to be held in the year 2025, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors.

Auditors' Report and Secretarial Auditors' Report

Auditors' Report

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

Secretarial Auditors' Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure-2**, which forms part of this report. The Secretarial Audit Report of Sagar Cements (M) Private Limited, a material subsidiary of the company is also given in the said Annexure.

The Secretarial Audit Reports does not contain any qualification, reservation, or adverse remarks.

Secretarial Standards

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

Maintenance of Cost Records

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

Cost Auditors

M/s. Narasimha Murthy & Co., Cost Accountants (FR No. 000042) have been appointed as Cost Auditors of the company for the year ending 31st March 2025. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditors has been included in the notice of the AGM.

The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

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

Particulars of loans, guarantees and investments

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

Disclosure of Accounting Treatment

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

Transactions with related parties

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

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

During the year 2023-24 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company.

Policy on transaction with related parties:

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

Corporate Social Responsibility

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative taken by your company are set out in **Annexure-4** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is also available on the website of the company, www.sagarcements.in.

Cybersecurity Commitment and Initiatives

Your Company recognises the critical importance of safeguarding our information assets and systems from ever-evolving cyber threats. As a responsible corporate entity, we are committed to protecting the confidentiality, integrity, and availability of the data entrusted to us by our customers, partners, employees, and other stakeholders. To this end, we have voluntarily embarked on a comprehensive Cybersecurity programme aimed at identifying, assessing, and mitigating potential risks across our IT infrastructure and processes.

We have engaged experts in the field of Cybersecurity and an entity empaneled with the Indian Computer Emergency Response Team (CERT-In), to conduct an in-depth cybersecurity assessment of our organisation. This exercise, involved a thorough evaluation of our servers (including application, database, and report servers), endpoints, firewalls, network devices, and security practices against industry standards and best practices.

We have developed a time-bound plan to elevate our cybersecurity maturity to align with global standards and best practices. Implementation of high-priority initiatives, such as database activity monitoring and cybersecurity policy roll out, is already underway, with substantial completion of the remediation road-map targeted by end of FY2025.

As we progress on this multi-year journey, we will continue to assess and refine our cybersecurity strategies to stay ahead of emerging threats. Annual technical assessments, including VAPT exercises, will help validate our controls and identify new areas for improvement. We are also investing in the skills and resources needed to embed security as a core value and discipline across the organisation.

We firmly believe that a proactive and diligent approach to cybersecurity is essential to preserving the trust of our stakeholders and the resilience of our business in the digital era. Our voluntary engagement of external experts and adoption of industry best practices reaffirms SGC's commitment to upholding the highest standards of corporate governance and risk management.

We will keep our stakeholders updated on the progress of our cybersecurity initiatives through regular disclosures. As always, we remain committed to fostering a secure and resilient operating environment and welcome any feedback or suggestions in this regard.

Annual Return

Annual Return in Form MGT-7 is available on the company's website and the link for the same is **https://sagarcements.in/wp-content/uploads/2020/08/SCL-Annal-Return-2023-24.pdf**

Particulars of Employees

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

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

Particulars	**Ratio to Median Remuneration**
Non-Executive Directors	Non-Executive Directors are not paid any remuneration, other than sitting fee
Executive Directors:-	
Dr. S. Anand Reddy	65.60
Shri S. Sreekanth Reddy	60.04

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri K. V. Vishnu Raju, Independent Director	These non-executive directors, were not paid any remuneration, other than the sitting fee.
Shri Ravichandran Rajagopal, Independent Director	
Mrs. O. Rekha, Independent Director	
Mrs. Sudha Rani Naga (APIDC Nominee Director)	
Shri John-Eric Bertrand, Non-Executive Director	
Shri Jens Van Nieuwenborgh, Alternate director to Shri John-Eric Bertrand, Non-Executive Director	
Mrs. S. Rachana, Non-Executive Director	
Shri Madhavan Ganesan, Nominee Director	
Dr. S. Anand Reddy, Managing Director	(37.08)
Shri S. Sreekanth Reddy, Joint Managing Director	(39.17)
Shri R. Soundararajan, Company Secretary	Retired from services with effect from 10th November, 2023
Shri J. Raja Reddy, Company Secretary	Appointed with effect from 11th November, 2023
Shri K. Prasad, Chief Financial Officer	19.95

c. The percentage increase in the median remuneration of employees in the financial year: 3.97

d. The number of permanent employees on the rolls of Company: 815

e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 10.48%. The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.

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

Particulars	On March 31, 2024 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	208.55	Not listed	-
Market Price in BSE	208.30	45.00	363.44%

* Face value of ₹ 2/- each
**Face value of ₹ 10/- each

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

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

Whistle Blower Policy

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for directors and employees of the company to enable them to report their genuine concerns, if any. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the SEBI Listing Regulations and the said policy is available on the company's website www.sagarcements.in.

Deposits from public

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

Disclosure on Donations to Political Party

The company had donated an amount of ₹ 250 Lakhs in the form of electoral bonds during the FY2024.

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

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

Insurance

All the properties of the Company have been adequately insured.

Pollution Control

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

Sub Committees of the Board

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

Compliance Certificate

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

Material changes and Commitments since the end of the Financial Year

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

Significant and material orders passed by the Regulators

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

Cautionary Statement

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

Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed and unpaid dividend of ₹ 13,75,190/- to IEPF. Further 47,058 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed/unpaid dividends lying in the unpaid dividend account up to the year, and the corresponding equity shares, which are liable to be transferred, are available on our website, at **https://sagarcements.in/investors/dividend.**

Details of difference in valuation

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Business Responsibility and Sustainability Report (BRSR)

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, a Business Responsibility and Sustainability Report is given in **Annexure-I**.

Other Disclosures

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

a. There was no issue of equity shares with differential voting rights as to dividend, voting or otherwise etc.

b. There was no issue of shares (including sweat equity shares) to the employees of the Company under any Scheme.

c. No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.

d. There was no instance of one time settlement with any bank or financial institution.

e. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of the subsidiary companies.

Acknowledgement

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

For and on behalf of the Board of Directors

Hyderabad
14th May, 2024

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

ANNEXURE-1

Form AOC-1

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

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

Part "A": Subsidiaries

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

S. No.	Particulars	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED	ANDHRA CEMENTS LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees
4.	Share Capital	504	9,217
5.	Reserves & surplus	8,132	20,464
6.	Total Assets	60,291	1,07,966
7.	Total Equity and Liabilities	60,291	1,07,966
8.	Investments	0	0
9.	Turnover	39,177	26,811
10	Profit/(Loss) before tax	(1,931)	(10,689)
11.	Provision for tax	(463)	(4,128)
12.	Profit/(Loss) after tax	(1,468)	(6,561)
13.	Proposed Dividend	0	0
14.	% of shareholding	65%	90%

Notes:

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

1. Names of subsidiaries which are yet to commence operations: **Nil**
2. Names of subsidiaries which have been liquidated or sold during the year: **Nil**

Part "B": Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

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

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

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: 14th May, 2024

K. Prasad
Chief Financial Officer

J. Raja Reddy
Company Secretary
M.No.A31113

ANNEXURE–2

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended on March 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

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

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

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

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company during the audit period;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the audit period;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period.

(vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(x) Factories Act, 1948;

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

(xii) Maternity Benefits Act, 1961;

(xiii) Minimum Wages Act, 1948;

(xiv) Negotiable Instruments Act, 1881;

(xv) Payment of Bonus Act, 1965;

(xvi) Payment of Gratuity Act, 1972;

(xvii) Payment of Wages Act, 1936 and other applicable labour laws;

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

(a) Cement Cess Rules, 1993;

(b) Cement (Quality Control) Order, 2003;

(c) Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;

(d) The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;

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

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

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

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

(i) Mines Act, 1952 and Rules issued thereunder;

(j) Mines and Mineral (Regulation and Development) Act, 1957;

(k) The Electricity Act, 2003;

(l) National Tariff Policy;

(m) Essential Commodities Act, 1955;

(n) Explosives Act, 1884; and

(o) Indian Boilers Act, 1923.

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

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

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

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

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

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors.

We further report that adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, and a system exists for seeking and obtaining further information and clarifications as may be required by them on the agenda items before the meeting and for meaningful participation at the meeting

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

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

We further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The Hon'ble NCLT, Hyderabad Bench, vide its order dt. 14/09/2023, approved the amalgamation of Jajpur Cements Private Limited with the Company.

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000337148
Peer Review No: 726/2020

Place: Hyderabad
Date: 14th May, 2024

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

ANNEXURE–A

To,
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

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

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

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000337148
Peer Review No: 726/2020

Place: Hyderabad
Date: 14th May, 2024

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended on March 31, 2024
[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 (M) Private Limited,
(Formerly known as 'Satguru Cement Private Limited')
602/A and 602/B, Airen Heights, PU-3, Scheme No.54, Opp.C-21 Mall, A.B.Road, Indore, Madhya Pradesh-452001.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

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

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

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

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

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - 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, 2018 - Not applicable to the Company during the audit period;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company during the audit period;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company during the audit period;

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company during the audit period; and

   (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 - Not applicable to the Company during the audit period;

(vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(xi) Factories Act, 1948;

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

(xii) Maternity Benefits Act, 1961;

(xiii) Minimum Wages Act, 1948;

(xvi) Negotiable Instruments Act, 1881;

(xv) Payment of Bonus Act, 1965;

(xvi) Payment of Gratuity Act, 1972;

(xvii) Payment of Wages Act, 1936 and other applicable labour laws;

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

- (i) Cement Cess Rules, 1993;(ii). Cement (Quality Control) Order, 1995;
- (ii) Environmental (Protection) Act, 1986 Read with Environmental Protection Rules, 1986;
- (iii) The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016;
- (iv) The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
- (v) Water (Prevention & Control of Pollution) Cess Act, 1977;
- (vi) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- (vii) The Noise Pollution (Regulation And Control) Rules, 2000;
- (viii) Mines Act, 1952 and Rules issued thereunder;
- (ix) Mines and Mineral (Regulation and Development) Act, 1957;
- (x) Essential Commodities Act, 1955;
- (xi) Explosives Act, 1884; and
- (xii) Indian Boilers Act, 1923.

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

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

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable to the Company during the audit period;

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

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

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

We further report that adequate notices were given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors/Committee Members. Meetings held at shorter notice are in compliance with the provisions of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period there was no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000362074
Peer Review No: 726/2020

Place: Hyderabad
Date: 14.05.2024

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 (M) Private Limited,
(Formerly known as 'Satguru Cement Private Limited')
602/A and 602/B, Airen Heights, PU-3, Scheme No.54,
Opp.C-21 Mall, A.B.Road, Indore, Madhya Pradesh-452001.

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

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

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000362074
Peer Review No: 726/2020

Place: Hyderabad
Date: 14th May, 2024

Annual Secretarial Compliance Report of Sagar Cements Limited for the year ended March 31, 2024

To,
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

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

(a) all the documents and records made available to us and explanation provided by Sagar Cements Limited(“the listed entity”),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:

  (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the Review Period;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- Not applicable during the Review Period;

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable during the Review Period;

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable during the Review Period;

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

We hereby report that, during the review period the compliance status of the listed entity is appended as below:

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

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	Nil
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	Nil
12.	**Additional Non-compliances, if any:** No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	Nil

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	a. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	NA
	b. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	NA
	c. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	NA
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
	a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	NA
	b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	NA
	c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	NA
	ii.) Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	NA
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	NA

*No resignation of Statutory Auditor during the Review Period.

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

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation / Fine amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
					Nil				

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Composition of the Audit and Nomination & Remuneration Committees	Regulation 18(1)(b) & 19(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	Committees did not have minimum number of Independent Directors (2/3rd of its total strength).	Notice was received from BSE for non-compliance w.r.t. Audit Committee	Nil	Composition of Audit Committees were not in compliance with the respective regulations	Nil	The Company rectified this lapse in the next quarter	The Board of Directors has reconstituted both the committees.	No further Comments

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000337271
Peer Review No: 726/2020

Place: Hyderabad
Date: 14th May, 2024

ANNEXURE–3

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:
   Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during FY2024.
2. Details of material contracts or arrangements or transactions at arm's length basis:

   There were no material contracts or arrangements or transactions with related parties during the FY2024.

On behalf of the Board of Directors

Dr. S. Anand Reddy	**S. Sreekanth Reddy**
Managing Director	**Joint ManagingDirector**
DIN: 00123870	DIN: 00123889

Place: Hyderabad
Date : 14th May, 2024

ANNEXURE–4

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

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

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

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

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

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri K. V. Vishnu Raju	Chairman	1	1
2	Dr. S. Anand Reddy	Member	1	1
3	Shri S. Sreekanth Reddy	Member	1	1
4	Mrs. S. Rachana	Member	1	1

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

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

CSR Policy: https://sagarcements.in/wp-content/uploads/2020/08/Scl_CSR-Policy_21.5.2015.pdf

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

5. (a) Average net profit of the company as per Section 135(5): ₹ 13624.98 Lakhs.

(b) Two percent of average net profit of the company as per Section 135(5): ₹ 272.50 Lakhs.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: ₹ 4.72 Lakhs

(e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 267.78 Lakhs

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

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

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project. State.	District.	(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency Name.	CSR registration number.
1.	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		30,87,484	Direct	Not Applicable	
2.	Training and education	Promotion of Education and infrastructure for it.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		1,74,32,923	Direct		
3.	Training and promotion of sports	Organising sports events and sponsor of sports personnel	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		7,30,540	Direct		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		77,59,666	Direct		
	Total					**2,90,10,613**			

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 2,90,10,613/-

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹) Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
290.11	0	Not applicable	Not applicable	0	Not applicable

(f) Excess amount for set off, if any

Sl. No.	Particular		Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)		272.50
(ii)	(a) Total amount spent for the Financial Year	290.11	
	(b) Excess amount spent for the Previous Financial Year	4.72	294.83
(iii)	Excess amount spent for the financial year [(ii)-(i)]		22.33
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		22.33

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance amount in unspent CSR account under Sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹).	Date of transfer.		
- Nil -									

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

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

Dr. S. Anand Reddy
Managing Director

DIN: 00123870

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

Hyderabad,
14th May, 2024

ANNEXURE–5

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

Name of the Employee	*Dr. S. Anand Reddy	*Shri S. Sreekanth Reddy	K.Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	59 years	52 years	61 years
Remuneration received (₹)	3,15,00,000	2,83,50,000	1,22,96,856
Commission received (₹)	56,50,000	56,50,000	-
Nature of employment	Contractual	Contractual	Contractual
Nature of duties	General Management	General Management	General management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology	Diploma in Mechanical Engineering
Overall Experience (Years)	33	28	38
Date of Commencement of Employment	23.11.1991	26.06.2003	24.02.1992
Percentage of Equity Shares held	5.59% (7304745 shares)	5.33% (6969140 shares)	0.00% (2000 shares)
Last Employment held	Nil	Nil	Nil

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

On behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Hyderabad
14th May, 2024

ANNEXURE–6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Conservation of Energy and Technology Absorption

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

1. Utilisation of Alternative Fuel and Raw Material (AFR) for replacement of pet coke to the tune of 12%.
2. Modernisation of Preheater for Kiln No.2 for fuel reduction and also to increase the AFR utilisation.

Optimisation of Plant Capacity

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

The following initiatives have been taken.

1. Construction of shed for Limestone stacker and reclaimer, coal and additive storage.
2. Installation of AFR mechanical feeding system to increase the AFR material from 10% to 15%.
3. Modernisation of kiln no. 2 preheater to reduce the fuel consumption from 730 Kcal to 705 Kcal/kg of clinker and also to increase the AFR utilisation.

Research and Development

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

Foreign Exchange earnings and Outgo

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

(₹ in Lakhs)

S. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Outgo	10,785.19	8,014.42
2	Inflow	Nil	Nil

On behalf of the Board of Directors

Hyderabad
14th May, 2024

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

MANAGEMENT DISCUSSION AND ANALYSIS

Sagar Cements Limited is a prominent cement manufacturer in India renowned for its strong presence in the southern markets and committed to actively expanding its footprint in the central and eastern regions. With a rich legacy of over four decades, we have consistently delivered high-quality cement products, firmly establishing ourselves as a trusted name in the construction industry.

Our strategically located manufacturing units in the southern, central and eastern parts of the country allow us to cater to diverse markets efficiently. We actively adopt sustainable manufacturing practices and innovative processes, underscoring our commitment to minimising our environmental impact. As we move ahead in our growth journey, our unwavering focus continues to be on delivering excellence and contributing to the advancement of the construction sector.

Global economy

In 2023, the global economy indicated signs of stabilisation, propelled by a rapidly recovering US economy and the resilience of significant emerging markets. The risk of a global recession was further reduced by positive factors such as robust labour markets, heightened household consumption, and the overall strength of emerging economies. The International Monetary Fund (IMF) projects a global growth rate of 3.1% in 2024, with a marginal increase to 3.2% anticipated in 2025.

Outlook

The current near-term global economic scenario presents potential positive developments as well as a variety of risks. The escalating geopolitical tensions in certain regions could have significant repercussions affecting the global economy. Moreover, several countries have implemented tighter monetary policies to control inflation, resulting in an impact on demand for both consumer and business products. This combination of geopolitical uncertainties and monetary policy adjustments brings complexity and uncertainty to the current economic landscape.

Indian economy

India demonstrated resilience amidst a challenging global environment, rising to become the fifth-largest global economy with an estimated GDP of $ 3.7 trillion in FY2024. The National Statistical Office (NSO) reported, based on the First Advance Estimates of National Income, that India's real GDP is projected to grow at 7.3% for FY2024. The GDP growth rate surpassed expectations to rise to a six-quarter high of 8.4% in the third quarter (October-December) of 2023-24. This growth is attributed to robust domestic demand and strong performance in the manufacturing and services sectors.

The Government of India continues to prioritise infrastructure spending as a strategic move to generate a multiplier effect on economic growth and job creation, and to stimulate both private consumption and investment spending. In a bold initiative, the capital expenditure for FY2025 has been increased by 11% to ₹ 11.1 Lakh Crores, up from the ₹ 10 Lakh Crores allocated in the previous budget. This decision highlights the government's commitment to strengthening infrastructure, identifying it as a fundamental driver for sustainable economic growth. Furthermore, the budget has targeted the construction of two Crores houses under the Pradhan Mantri Awas Yojana (Grameen) over the next five years and proposed a housing scheme tailored for the rising middle-class population of the country. These measures reflect the government's proactive stance towards fostering economic growth, driving job creation and addressing the crucial aspects of housing and infrastructure development.

India's GDP Growth Trend (%)

FY2021-22	FY2022-23	FY2023-24
9.1	7.2	7.3

Source: Ministry of Statistics and Program Implementation (MosPI)

Outlook

In 2024, India's economic landscape appears stable and on an upward trajectory. Positive trends are anticipated in various sectors, notably in services and manufacturing, particularly in education, healthcare, IT, and industries under the Production-Linked Incentive (PLI) scheme. These favourable developments are expected to benefit the real estate sector. The strong momentum in manufacturing, coupled with urban spending surpassing rural demand and increased investments positions the country on a promising growth path.

Industry overview

Cement demand in India is experiencing a steady increase. The past year witnessed strategic shifts within the cement industry, with environmental consciousness and implementation of sustainable practices. According to ICRA, cement volumes demonstrated a significant year-on-year increase of approximately 12%, reaching 243 million Metric Tonnes Per Annum (MTPA) in the first seven months of FY2024. The outlook suggests a further growth of 9-10% in FY2024, totalling around 425-430 million MTPA, primarily driven by demand from the urban housing and infrastructure sectors. Projections for FY2025 indicate a continued positive trend, with volumes expected to increase by 8-9%, reaching around 460-465 million MTPA.

The infrastructure segment maintains a robust demand due to increased government spending across various infrastructure segments. The housing segment, constituting 55% of cement demand, is anticipated to witness steady growth on the back of healthy traction in rural housing and urban real estate projects. The government’s consistent emphasis on affordable housing will further help sustain the demand for cement.

Key trends

Infrastructure development and urbanisation: Infrastructure development and urbanisation continue to be significant drivers of the cement industry. This is due to the trend of urbanisation that propels the demand for housing, transportation, and urban amenities, thereby sustaining cement consumption.

Sustainability takes centre stage: Faced with rising environmental concerns and regulations, cement manufacturers are compelled to reduce their carbon footprint. In the year, a persistent shift towards more sustainable practices is anticipated. This will include the adoption of alternative cementitious materials, the integration of carbon capture technologies, and the implementation of energy-efficient production processes. Cement companies that actively embrace sustainability are likely to gain a competitive advantage in the evolving market landscape.

Circular economy practices: The industry is rapidly adopting circular economy practices witnessed in the increasing commitment to reducing waste, reusing materials, and recycling by-products. By 2024, a rise in the use of alternative raw materials, particularly industrial by-products, is expected, as a means to decrease the industry's reliance on conventional resources.

Digital transformation and Industry 4.0: A notable digital transformation is underway in the cement industry, aligning with Industry 4.0 principles. Technologies such as automation, data analytics, and artificial intelligence are being integrated to optimise production processes, enhance efficiency and reduce operational costs. The landscape of cement plants in the future is envisioned to be smarter and more efficient, more interconnected, and equipped for real-time monitoring and decision-making.

Outlook

In FY2025, the cement demand is expected to maintain its healthy momentum, primarily fuelled by the government's emphasis on infrastructure spending and its flagship housing initiatives. Projections suggest a potential increase in capacity additions, with an estimated range of 34-38 million Metric Tonnes Per Annum (MTPA) in FY2024 and 29-32 million MTPA in FY2025. This growth follows the addition of 27 million MTPA in FY2023, reflecting optimistic prospects driven by a healthy demand outlook.

The expansion is likely to be particularly prominent in the eastern and central regions, with an expected addition of 19-21 million MTPA in each region during FY2024 and FY2025. The focus on geography underscores the anticipation of heightened demand and investment opportunities in these areas. Overall, the industry's trajectory suggests a positive way forward characterised by an expansion in capacity and demand, and significant contributions from government-led initiatives.

Performance review on a consolidated basis

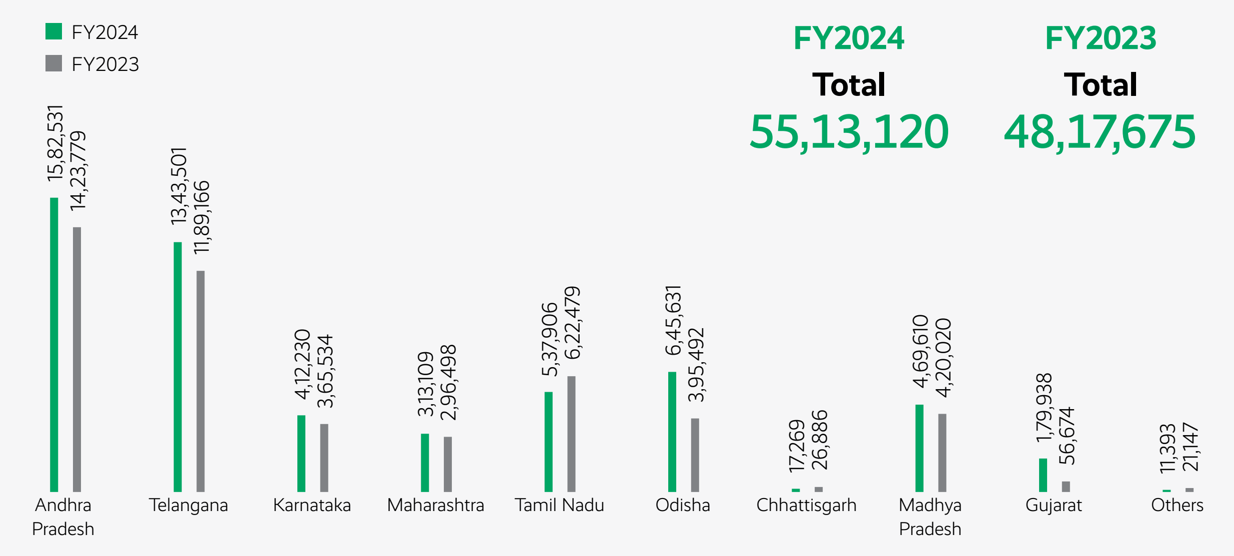
Operational performance

Our cement production in FY2024 increased by 15% to 5.5 million tonnes – a result of production from the new plants and higher utilisation of existing plants. Our consolidated sales grew to 5.51 million tonnes in FY2024 (FY2023: 4.82 million tonnes) on the back of increased sales from Dachepalli plant of recently acquired Andhra Cements Limited. Capacity utilisation stood at 53% during FY2024 (FY 2023: 58%).

Operating margins improved by 300 bps to 10%. Improved profitability was driven by increased operating leverage and steady realisations.

Particulars (tonnes)	FY2024	FY2023
Cement production/ purchases	55,15,285	48,25,480
Cement sales volume	55,13,120	48,17,675

Region-wise sales (in MT)



Financial performance

Total income increased by 4% to ₹ 2,55,873 Lakhs. EBITDA increased by 300 bps to 10%. PAT for the year was ₹ (5,205) Lakhs.

Particulars (₹ in Lakhs)	FY2024	FY2023
Total Income	2,55,873	2,45,224
Total Expenses	2,65,764	2,43,377
EBITDA	24,591	15,318
Profit Before Tax	(8,412)	1,847
Profit After Tax	(5,205)	961
Basic & Diluted Earnings Per Share of ₹ 2 each (₹ Per Share)	(3.98)	0.74

Financial ratios

Sr No	Particulars	FY2024	FY2023	Reasons for increase/decrease (more than 25%)
1	Debtor's Turnover Ratio (Sales of Products and Services / Average Trade Receivable)	13.55	15.96	
2	Inventory Turnover Ratio (Sales of Products and Services/ Average Inventory)	8.64	9.04	
3	Interest Coverage Ratio [Cash profit after adjusting depreciation / Interest expense during the period] [Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]	1.88	1.99	
4	Current Ratio (Current Assets / Current Liabilities excl. Current Borrowings)	1.32	1.70	
5	Debt Equity Ratio (Debt / Net Worth) [Debt: Long-term secured loans + Current maturities of long-term debt + Loan term unsecured loans+ Cash credit facilities]	0.71	0.71	
6	Operating Profit Margin (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income)/ Sales of Products and Services]	10.00	7.00	Operating profit margin improved during FY24 by 300 bps as a result of reduction in power & fuel cost when compared to FY23.

Sr No	Particulars	FY2024	FY2023	Reasons for increase/decrease (more than 25%)
7	Net Profit Margin (%) [Profit after tax/ Sales of Products and Services]	(2.08)	0.43	Net profit margin & Return on net worth got adversely impacted during FY24 since operations of the recently acquired subsidiary Andhra Cements Limited is still in the process of getting ramped up.
8	Return on Net Worth (%) [(Net Profits after taxes)/ Average Shareholder's Equity]	(2.55)	0.57	

Sustainability

Sagar Cements continues to prioritise the preservation of the natural ecosystem. FY2023 represented a significant achievement with the introduction of our ESG vision document. We outlined a roadmap detailing our performance across various ESG parameters and established medium to long-term targets to attain these goals. This stands as a testament to our unwavering commitment to achieving a net-zero status by 2050.

Read more about our ESG vision on PG 4

Technology

We leverage cutting-edge technology to meet our goal of producing high-quality cement at affordable prices and create a compelling value proposition for our customers. Our dedication to innovation, along with ongoing investments in research and development, empowers us to develop unique products and solutions that address the evolving needs of our customers. The adoption of the latest technology is relevant for a sector that is actively working towards minimising its carbon emissions.

Outlook

We generate value by expanding our capacity, embracing technological innovation, and adopting sustainable manufacturing practices. Our strategically located plants across south, central, and eastern India help optimise costs and facilitate our expansion into new geographies. Our resolve to increasing the share of green cement in our portfolio is indicative of our dedication to minimising our environmental impact through technological advancements.

The unwavering trust demonstrated by our stakeholders has established us as a preferred brand among customers, suppliers, contractors, and the communities in which we operate. This trust is a catalyst for our sustainable growth. Looking forward, the Indian cement industry holds substantial potential for sustainable development. SGC is poised to capitalise on these opportunities by focusing on capacity building, maintaining an emphasis on quality and innovation, and aspiring to secure a larger market share in north India while retaining our current leadership position. We are strongly optimistic about a future in which we strategically leverage the growing demand for cement in southern, eastern and central India.

Risk management

We face both internal and external uncertainties that influence the formulation of our Risk Management Policy. Stringent compliance systems are effective in handling internal risks, while external risks are contingent on several uncontrollable factors. A robust risk management approach enables the anticipation and proactive mitigation of emerging risks. Our dedicated Risk Management Committee actively evaluates the day-to-day risks faced by the Company and ensures timely mitigation measures are implemented.

The Joint Managing Director (JMD) leads the Risk Management Committee. Regular risk review meetings are convened to analyse the effectiveness of implemented plans and to identify and address emerging areas of concern.

We remain receptive to new opportunities that can enhance shareholder value. However, thorough scrutiny is applied to every significant proposal across all organisational levels to pinpoint and assess associated risks. Approval is granted only after a comprehensive risk assessment has been conducted. Financial risk management related to operations undergoes scrutiny through a combination of internal, statutory, and cost audits, which are periodically conducted by accredited auditors.

This multifaceted approach underscores our commitment to a dynamic and vigilant risk management strategy to navigate the ever-evolving landscape of our industry.

Read more about our risks management on PG 31.

Internal controls and audit

The Board of Directors are satisfied with the adequacy of the internal control system currently in force in all our major areas of operations, supported by an ERP and Compliance Management Systems. The Audit Committee assists the Board of Directors in monitoring the integrity

of the financial statements, reservations, if any, expressed by our auditors including, the financial cost. Our internal controls are adequate and effective.

Note: Human Resources, Environmental and CSR initiatives have been covered in detail in the Integrated Report section.

CORPORATE GOVERNANCE REPORT

for the year 2023-24

Pursuant to Schedule V read with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), compliance with the requirements of Corporate Governance is set out below

1. Company's philosophy on code of governance:

Sagar Cements Limited ("The Company") believes that adherence to good corporate practice leads to transparency in its operations and improvement in the quality of its relationship with all its stakeholders and in the process, inter-alia, would enable it to become one of the most respected and attractive company in the industry and creating value for all its stakeholders.

2. Board of Directors:

Composition:

As on 31st March, 2024, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

(i) As on 31st March, 2024 the Company had ten Directors, including an alternate director.

(ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2024 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee are alone considered for the purpose.

Name of the Director	Category	Number of board meetings during the year 2023-24		Whether attended the last AGM held on 28.6.2023	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri K. V. Vishnu Raju	Chairman, Independent and Non-Executive Director	6	6	Yes	0	5	0	0
Shri Ravichandran Rajagopal	Independent and Non-Executive Director	6	6	Yes	0	2	0	0
Mrs. O. Rekha	Independent and Non-Executive Director	6	6	Yes	0	1	1	0
Shri Madhavan Ganesan	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	6	5	No	0	0	0	0
Mrs. Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	6	3	Yes	0	0	0	0

Name of the Director	Category	Number of board meetings during the year 2023-24		Whether attended the last AGM held on 28.6.2023	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mrs. S. Rachana	Non-Executive Director (Promoter Group)	6	6	Yes	0	0	0	0
Shri John-Eric Bertrand	Non-Executive Director	6	2	No	0	0	0	0
Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Bertrand	6	4	Yes	0	0	0	0
Dr. S. Anand Reddy	Executive Director (Promoter)	6	6	Yes	0	4	1	0
Shri S. Sreekanth Reddy	Executive Director (Promoter)	6	6	Yes	0	4	0	0

(iii) Directorships and their category in other listed entities:

Sl No.	Name of the Director	Category	Names of the other Listed Entities where the person is a director and the category of such directorship		Chairmanship / Membership in Committees of other Listed Entities	
			Company	Category	Chairman	Member
1	Shri K. V. Vishnu Raju	Chairman and Independent Director	Anjani Foods Limited Andhra Cements Limited	Chairman and Director Chairman and Independent Director	2	2
2	Shri Ravichandran Rajagopal	Independent Director	Anjani Foods Limited Andhra Cements Limited	Whole-time Director Independent Director	0	2
3	Mrs. O. Rekha	Independent Director	Andhra Cements Limited	Independent Director	0	2
4	Shri Madhavan Ganesan	Nominee Director	Medplus Health Services Limited	Independent Director	1	1
5	Mrs. Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	-	-	0	0
6	Mrs. S. Rachana	Non-Executive Director (Promoter Group)	Andhra Cements Limited	Non-Executive Director	0	0
7	Shri John-Eric Bertrand	Non-Executive Director	-	-	0	0
8	Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Bertrand	-	-	0	0
9	Dr. S. Anand Reddy	Managing Director (Promoter)	Andhra Cements Limited	Executive Director	0	1
10	Shri S. Sreekanth Reddy	Joint Managing Director (Promoter)	Sagarsoft (India) Limited Andhra Cements Limited	Chairman and Non-Executive Director Non-Executive Director	0	1

(iv) As on 31st March, 2024, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions held by the Directors in other public companies as on 31st March, 2024 have been made by them.

(v) All the Independent Directors are non-executive directors in accordance with Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The Independent Directors have confirmed that they meet with the criteria mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

(vi) The Board held six meetings during the year under report and the gap between any such two consecutive meetings did not exceed one hundred and twenty days. The dates of these meetings are as under:

10th May, 2023, 27th July, 2023, 19th October, 2023, 24th January, 2024, 26th February, 2024 and 28th March, 2024.

(vii) Disclosure of relationship between directors inter-se:

Dr. S. Anand Reddy, Managing Director is brother of Shri S. Sreekanth Reddy, Joint Managing Director.

Shri S. Sreekanth Reddy, Joint Managing Director is brother of Dr. S. Anand Reddy, Managing Director and is the spouse of Mrs. S. Rachana, Non-Executive Director.

Mrs. S. Rachana, a Non-Executive Director is the spouse of Shri S. Sreekanth Reddy, Joint Managing Director.

Except as mentioned above, none of the other Directors is related inter-se.

(viii) During the year under report, all the information as applicable and falling under Part A of the Schedule II of the SEBI Listing Regulations, were placed before the Board for its consideration.

(ix) The terms and conditions of appointment of the Independent Directors are available on the website of the Company.

(x) During the year, the Independent Directors separately held a meeting among themselves on 24th January, 2024.

(xi) The Board periodically reviews the reports furnished to it by the company on compliance with laws applicable to the Company.

(xii) The details of the familiarisation programme of the Independent Directors are available on the website of the Company **https://sagarcements.in/wp-content/uploads/2020/08/Familiarization-Programme-2-1-1.pdf.**

(xiii) In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.

(xiv) Skill, competence and expertise of the Board of Directors identified by the Board for its effective functioning:

The company's present Board is a skill-based one, comprising of Directors who collectively have the skills directly relevant for performing their function as a member of the Board and the personal attributes or qualities that are identified and considered desirable to be an effective Director like, integrity (ethics), effective communicator, constructive questioner, contributor and team player, commitment and leadership skills. Apart from the above, the whole-time directors of the company have the technical skill / managerial experience, expertise and an in-depth knowledge of the company and cement industry for discharging their respective responsibilities.

Board Skill Matrix:

In terms of the requirement of the SEBI Listing Regulations, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board, along with the names of the Directors, who have such skill/expertise/competence:

Business & Industry	Domain Knowledge in Business and understanding of business environment, the development in the industry for improving Company's business
Financial Expertise	Financial and risk management, Internal control, Experience of complex financial reporting processes, capital allocation, resource utilisation, Understanding of Financial policies and accounting statement and assessing economic conditions
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values

Sl.No	Name of the Director	Skill/Expertise/Competence
1	Shri K. V. Vishnu Raju	Business and Industry, Financial, Technical Expertise, Governance and Entrepreneurship
2	Shri Ravichandran Rajagopal	
3	Shri Madhavan Ganesan (Nominee Director)	
4	Dr. S. Anand Reddy	
5	Shri S. Sreekanth Reddy	
6	Mrs. S. Rachana	Business & Industry
7	Mrs. O. Rekha	Financial Expertise, Governance & Compliance
8	Shri John-Eric Bertrand	Business & Industry, Financial Expertise, Governance & Compliance
9	Mrs. Sudha Rani Naga (Nominee Director)	Financial Expertise

(xv) Details of equity shares and convertible securities of the Company held by the Non-Executive Directors as on 31st March, 2024 are given below:

Name	Category	Number of equity shares
Mrs. S. Rachana	Non-Executive, Promoter Group	66,08,540
Mrs. O. Rekha	Independent and Non-Executive Director	1,000

As on 31st March, 2024, none of the Non-Executive Directors/Independent Directors other than those mentioned above was holding any shares or convertible securities in the company.

(xvi) During the FY2024, none of the Independent Directors had resigned from his/her directorship.

3. Audit Committee

i. The composition of the Audit Committee of the Board is in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

ii. The terms of reference of the audit committee is as per Part C of the Schedule II of the SEBI Listing Regulations and include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in the accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions
  - Qualifications, if any, in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture

holders, shareholders (in case of non-payment of declared dividends) and creditors;

- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Establishment of vigil mechanism for directors and employees to report their genuine concerns.
- Review of the information that is required to be carried out, mandatorily or otherwise, as per the Listing Regulations.

iii. The audit committee invites to its meetings such of the executives, as it considers appropriate particularly the head of the finance function and representatives of the statutory auditors and internal auditors. The Company Secretary acts as the Secretary to the Committee.

iv. During the year Shri R.Soundararajan, Company Secretary and Compliance Officer has retired from services with effect from 10th November, 2023 and in his place, the Board of Directors have appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11th November, 2023 to ensure compliance with and effective implementation of the Insider Trading Code.

v. The previous Annual General Meeting ("AGM") of the Company was held on 28th June, 2023 and the Chairman of the audit committee was present at the said meeting.

vi. The composition of the Audit Committee as on 31st March, 2024 and the details of attendance at its meetings held during the year 2023-24 are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the FY2024	
		Held	Attended
Mrs. O. Rekha, Chairperson	Independent Director	5	5
Shri K. V. Vishnu Raju, Member	Independent Director	5	5
Shri Ravichandran Rajagopal, Member	Independent Director	5	5
Shri Madhavan Ganesan, Member	Nominee Director	5	4

vii. The Audit committee met 5 times during the year 2023-24 and the dates of these meetings are as under:

10th May, 2023, 27th July, 2023, 19th October, 2023, 24th January, 2024 and 26th February, 2024.

4. Nomination and Remuneration Committee

i. Composition of the Nomination and Remuneration Committee (NRC) of the Board is in line with the Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

ii. The terms of reference of the NRC are available on the company's website https:// sagarcements.in/ as part of the Nomination and Remuneration Policy adopted by the company.

Nomination and Remuneration policy:

The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and motivating workforce. Individual performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's website, https://sagarcements.in/

iii. The composition of the Nomination and Remuneration Committee as on 31st March, 2024 and the details of the attendance at its meeting held during the year 2023-24, is as under:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Mrs. O. Rekha, Chairperson	Independent Director	1	1
Shri K. V. Vishnu Raju, Member	Independent Director	1	1
Shri Ravichandran Rajagopal, Member	Independent Director	1	1
Shri Madhavan Ganesan, Member	Nominee Director	1	1

During the year, one meeting of the Nomination and Remuneration Committee was held on 10th May, 2023.

iv. The Company presently does not have any Employee Stock Option Scheme.

v. Performance Evaluation Criteria / Policy for Independent Directors:

The company has adopted a Policy for evaluating the performance of its Independent Directors, and the same is available on the company's website as part of its Nomination and Remuneration Policy.

5. Remuneration of Directors

Remuneration to Non-Executive Directors:

Currently, Non-Executive Directors are not paid any remuneration other than the sitting fee of ₹ 40,000/- for each meeting of the Board and Committees thereof attended by them. However, sitting fees payable to the nominee directors from APIDC are paid directly to the institution she represents.

Details of sitting fees paid to the non-executive directors during the year 2023-24 are given below:

S. No.	Name of the Director	Sitting Fee (In ₹)
1	Shri K. V. Vishnu Raju	6,00,000
2	Shri Ravichandran Rajagopal	6,00,000
3	Mrs. O. Rekha	6,00,000
4	Shri Madhavan Ganesan, Nominee, (PI Opportunities Fund-I Scheme II)	4,40,000
5	Mrs. Sudha Rani Naga (APIDC Nominee) Their sitting fees were directly paid to the Institution they represented.*	1,60,000
6	Mrs. S. Rachana	2,80,000
7	Shri John-Eric Bertrand	80,000
8	Shri Jens Van Nieuwenborgh (Alternate Director to Shri John-Eric Bertrand)	1,60,000
	Total	**29,20,000**

*Mrs. K. B. Rekha Rani, attended the board meeting held on 28th March, 2024 on behalf of APIDC.

There were no other pecuniary relationship or transactions between the Non-Executive Directors and the Company.

The Criteria for making the payment to Non-Executive Directors are available on the company's website **https://sagarcements.in/wp-content/uploads/2020/08/Criteria-for-making-payment-to-Non-Executive-Directors.pdf**

Remuneration to the Managing Director and Whole time Directors:

The Company pays remuneration to its Managing Director (MD) and Joint Managing Director (JMD) (Whole-time Directors) by way of salary and perquisites, which are fixed components and by way of commission, a variable component. Remuneration to Whole-time Directors is paid in accordance with the recommendation made by the Nomination and Remuneration Committee and the approval as accorded by the Board of Directors, which is subject to further approval of the shareholders.

The whole-time directors were paid the following remuneration for the year 2023-24.

(₹ in Lakhs)

Description	Dr. S. Anand Reddy (MD)	Shri S. Sreekanth Reddy (JMD)
Salary	180.00	162.00
Perks (75% of the salary)	135.00	121.50
Sub-Total	**315.00**	**283.50**
Commission	56.50	56.50
Total	**371.50**	**340.00**

In addition to the above, the Whole-time directors are entitled to contribution to Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of their tenure.

Services of the Whole-time Directors with the company may be terminated by either party, giving the other party six months' notice. No severance fee is contemplated. The company has not issued any stock options to anyone.

6. Stakeholders' Relationship Committee

i. The stakeholders' relationship committee is in line with the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Act.

ii. The broad terms of reference of the stakeholders' relationship committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/ annual reports, and other related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc., as per the procedures applicable under relevant regulations.

iii. The composition of the Stakeholders Relationship Committee as on 31st March, 2024 and the details of the attendance during the year 2023-24 is as under:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Mrs. Sudha Rani Naga, Chairperson	Nominee/Non-Executive Director	1	-
Dr. S. Anand Reddy, Member	Managing Director	1	1
Shri K. V. Vishnu Raju, Member	Independent Director	1	1

During the year, one meeting of the Stakeholders' Relationship Committee was held on 24th January, 2024.

Further, during the year Shri R.Soundararajan, Company Secretary and Compliance Officer has retired from services with effect from 10th November, 2023 and in his place, the Board of Directors have appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11th November, 2023.

Based on the information obtained from the Company's Registrars, the Company had received 189 complaints from the investors during the year 2023-24 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There are two complaints pending as on 31st March, 2024 which were resolved subsequently.

Sl.No	Particulars	Opening	Received	Resolved	Pending
1	Non-receipt of shares after transfer / transmission	0	5	5	0
2	Non-receipt of dividend warrants	0	138	136	2
3	Non-receipt of Annual Report	0	5	5	0
4	Non-receipt of Securities	0	35	35	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/NSE/CSE complaints	0	6	6	0
	Total	**0**	**189**	**187**	**2**

iv. Name, designation and address of Compliance Officer:

Shri J.Raja Reddy

Company Secretary

Sagar Cements Limited

Regd.Office: Plot No.111, Road No.10
Jubilee Hills, Hyderabad-500 033
Telephone: 91 40 23351571

7. Risk Management Committee

i. The Board of Directors in their meeting held on 1st July, 2021, constituted a Risk Management Committee. The composition of the Risk Management Committee is in line with the provisions of Regulation 21 of the SEBI Listing Regulations.

ii. The terms of reference of the Risk Management Committee are available on the company's website https://sagarcements.in/wp-content/uploads/2020/08/Scl_Risk-Management-Policy-1.pdf as part of the Risk Management Policy.

iii. The details of the composition of the Risk Management Committee as on 31st March, 2024 and the attendance at its meetings held during the year 2023-24, are given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Shri S. Sreekanth Reddy, Chairman	Joint Managing Director	2	2
Shri Ravichandran Rajagopal, Member	Independent Director	2	2
Mrs. O. Rekha, Member	Independent Director	2	2
Shri Madhavan Ganesan, Member	Nominee Director	2	1
Shri K. Prasad, Member	Chief Financial Officer	2	2

The Risk Management Committee had met twice during the year 2023-24 on 27th July, 2023 and 7th December, 2023.

Other Committees

Investment Committee

With a view to evaluating major capital expenditure proposals and investment opportunities available to the Company from time to time, the Board has constituted an Investment Committee with the following directors as its members/Chairman:

Name	Category
Shri K. V. Vishnu Raju, Chairman	Independent Director
Shri Ravichandran Rajagopal, Member	Independent Director
Mrs. O. Rekha, Member	Independent Director
Dr. S. Anand Reddy, Member	Managing Director

Securities Allotment Committee

With a view to allot securities as and when approved by the Board/Shareholders, the company has constituted a committee known as Security Allotment Committee and the following Independent Directors are its members:

Name	Category
Shri K. V. Vishnu Raju, Chairman	Independent Director
Shri Ravichandran Rajagopal, Member	Independent Director
Mrs. O. Rekha, Member	Independent Director

Corporate Social Responsibility Committee

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Act.

The company is committed to operate and grow its business in a socially responsible way, by, inter-alia, reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small every day actions that will make a big difference. This CSR Policy of the company is guided by the following principles:

1. To conduct its operations with integrity and responsibility keeping in view the interest of all its stakeholders.
2. Growth and environment should go hand in hand.
3. Availing of opportunities for collaborating with different stakeholders including Governments, NGOs, Suppliers and Distributors to tackle the challenges faced by the society.

   During the year, one meeting of the Committee was held on 24th January, 2024.

   The composition of the CSR Committee and details of the attendance at the meeting is given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the FY2024	
		Held	Attended
Shri K. V. Vishnu Raju, Chairman	Independent Director	1	1
Dr. S. Anand Reddy, Managing Director	Member	1	1
Shri S. Sreekanth Reddy, Joint Managing Director	Member	1	1
Mrs. S. Rachana, Non-Executive Director	Member	1	1

Senior Management:

Particulars of senior management including the changes therein since the close of the previous financial year:

(a) The details of Senior Management as on March 31, 2024 pursuant to SEBI Listing Regulations:

Sl. No.	Name	Designation
1.	Shri. Ganesh K	Group President
2.	Shri. Rajesh Singh	Chief Marketing Officer
3.	Shri. Prasad K	Chief Financial Officer
4.	Shri. Rajareddy Jingilipalem	Company Secretary and Compliance Officer
5.	Shri. Sanjay Singh	Senior General Manager - Finance & Accounts
6.	Shri. Rama Sarma Ganti	Senior General Manager
7.	Shri. Mohan Reddy G.M	Senior General Manager (General Administration)
8.	Shri. Anji Reddy O	Chief Sustainability Officer
9.	Shri. B S P RAJU	Vice President (Mines)
10.	Shri. Manda Venkata Ramana Murthy	Senior Vice President (Works)
11.	Shri. E P Ranga Reddy	Vice President (Works)
12.	Shri. Kasanneni Srinivasa Rao	Senior General Manager (Works)
13.	Shri. Prasad Babu G	General Manager (Works)

(b) Changes in Senior Management since the close of the previous financial year:

During the financial year, Shri R.Soundararajan, Company Secretary and Compliance Officer retired from services with effect from 10th November, 2023 and in his place, the Board of Directors appointed Shri J.Raja Reddy as Company Secretary and Compliance Officer with effect from 11th November, 2023.

8. General Body Meetings

i. General Meeting

The details of the time, venue and the date of the last three Annual General Meetings of the Company are given below:

AGM	Date	Time	Venue
42nd AGM	28th June, 2023	3.00 p.m.	Through VC/OAVM
41st AGM	30th June, 2022	3.00 p.m.	Through VC/OAVM
40th AGM	28th July, 2021	2.00 p.m.	Through VC/OAVM

Following are the details of Special Resolutions passed in the above said Annual General Meetings:

At the 40th AGM, three special resolutions were passed in respect of Re-appointment of Dr. S. Anand Reddy as Managing Director, Re-appointment of Shri S. Sreekanth Reddy as Joint Managing Director and sub-division of share capital in to smaller amount and consequent changes in the Memorandum and Articles of Association of the Company.

No Special Resolutions were passed at the 41st and 42nd Annual General Meetings.

Resolutions passed through Postal Ballot on 21st September, 2023:

One Special resolution was passed on 21st September, 2023 through Postal Ballot regarding Alteration in the Articles of Association of the Company. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,04,84,987
Votes cast in favour of the resolution	11,04,84,424
Votes cast against the resolution	563
Number of invalid / abstained votes received	912

Resolutions passed through Postal Ballot on 03rd May, 2023:

One Special resolution was passed on 03rd May, 2023 through Postal Ballot regarding appointment of Shri Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution: Appointment of Shri Ravichandran Rajagopal (DIN: 00110930) as an Independent Director of the Company

Particulars	Number of Votes
Number of valid votes received	11,82,26,946
Votes cast in favour of the resolution	11,82,26,102
Votes cast against the resolution	844
Number of invalid / abstained votes received	500

Resolutions passed at the Extra-ordinary General Meeting held on 7th December, 2023

Two Special resolutions were passed at the Extra-ordinary General Meeting (EGM) held on 7th December, 2023. M/s. B S S & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) who were appointed as scrutiniser submitted their report and voting results and the details of which are as under:

Resolution-1: Execution of Shareholders Agreement for granting certain special rights to M/s. AVH India Resources Private Limited

Particulars	Number of Votes
Number of valid votes received	11,35,87,430
Votes cast in favour of the resolution	10,30,62,721
Votes cast against the resolution	1,05,24,709
Number of invalid / abstained votes received	25

Resolution 2: Alteration in the Articles of Association of the Company

Particulars	Number of Votes
Number of valid votes received	11,35,87,430
Votes cast in favour of the resolution	10,30,62,881
Votes cast against the resolution	1,05,24,549
Number of invalid / abstained votes received	25

Procedure for Postal Ballot – when conducted

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The shareholders are provided the facility to vote through e-voting. The postal ballot notice is sent to shareholders in electronic form to their email addresses, wherever available. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013 in connection with the above.

Shareholders holding equity shares as on the cut-off date may cast their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutiniser submits his report to the Chairman and the results of voting by postal ballot are announced within 48 hours of the conclusion of the e-voting period. The results are displayed on the website of the Company (www.sagarcements.in), and communicated to the Stock Exchanges, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for exercising e-voting.

There is no proposal to pass any special resolution exclusively through postal ballot.

9. Means of communication

Quarterly results:

As part of compliance with Regulation 33, 10 and 47 of the SEBI Listing Regulations, the Company furnishes its quarterly and annual financial results to the Stock Exchanges where its shares have been listed, followed by publication in the newspapers in accordance with the said Regulations.

Newspapers in which the results were published:

Details of newspapers in which quarterly results relating to the FY2024 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30th June, 2023	29th July, 2023	Financial Express and Andhra Prabha
30th September, 2023	21st October, 2023	
31st December, 2023	26th January, 2024	
31st March, 2024	16th May, 2024	

Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website '**www.sagarcements.in**' and also on the website of NSE and BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

Press Release

Press Releases as and when issued by the company following the publication of financial results are also made available at the company's website.

Presentation made to Institutional Investors and Financial Analysts:

Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts / investors following the declaration of financial results are also put up on the company's website. Excepting on occasions when the Company had to respond in a general way to the queries now and then received from investors / analysts regarding the affairs of the company and the declaration of the quarterly, half-yearly and annual financial results, there were not many specific presentations made to any of them during the year 2023-24.

Management Discussion and Analysis Report

The Integrated Report of the Company contains the Management Discussion and Analysis Report as annexure to the Directors' Report.

Subsidiary companies

The Company has two subsidiaries viz., Sagar Cements (M) Private Limited and Andhra Cements Limited. The Audit Committee of the Board reviews the consolidated financial statements of the Company containing financials of these subsidiaries. The minutes of the board meetings of the subsidiaries are periodically placed before the Board of Directors of the Company.

10. General Shareholder information:

a. Annual General Meeting:

Date & Time	3.00 p.m. on Wednesday, the 26th June, 2024
Venue	Through Video Conference /Other Audio Visual Means

b. Financial Year: 1st April, 2023 to 31st March, 2024

c. Book Closure Dates: From 20th June, 2024 to 26th June, 2024 (both days inclusive)

d. Dividend payment date:

The Board has recommended a dividend @ 35% i.e., ₹ 0.70 per share of ₹ 2/- each, subject to its declaration by the members at the Annual General Meeting and the same will be paid to the eligible shareholders within 30 days of the said declaration.

e. Listing on Stock Exchanges:

The paid-up share capital of the company as on 31st March, 2024 was ₹ 26,14,15,096/- consisting of 13,07,07,548 equity shares of ₹ 2/- each. All these shares have been listed on the National Stock Exchange of India Ltd., Mumbai and BSE Ltd., Mumbai. There are no dues against listing fee payable to these stock exchanges.

f. Stock and ISIN Codes for the Company's shares:

Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	502090

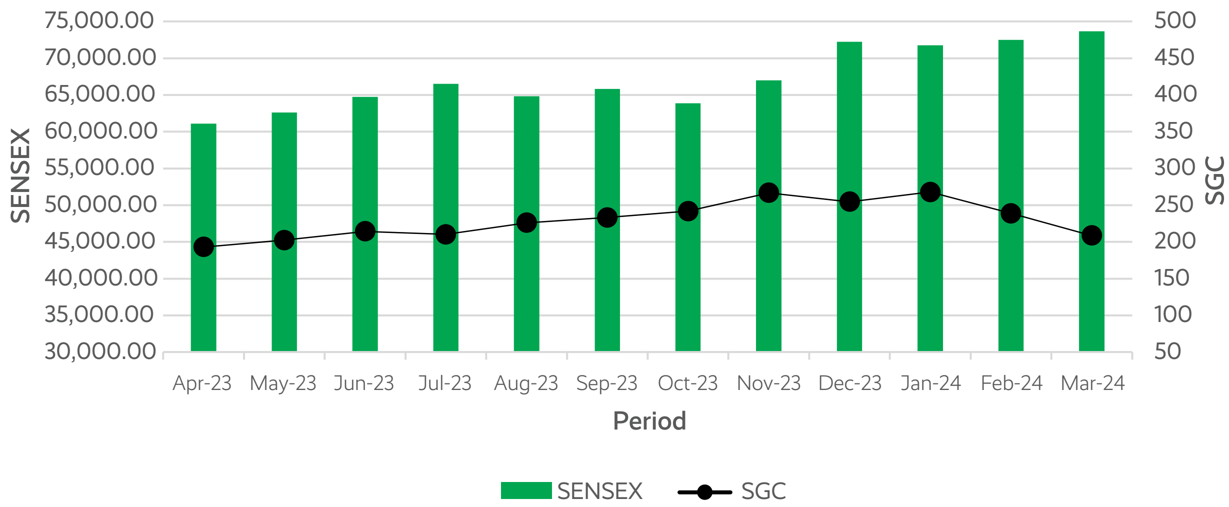
ISIN - Equity	INE229C01021
ISIN - Debt	INE433R07016

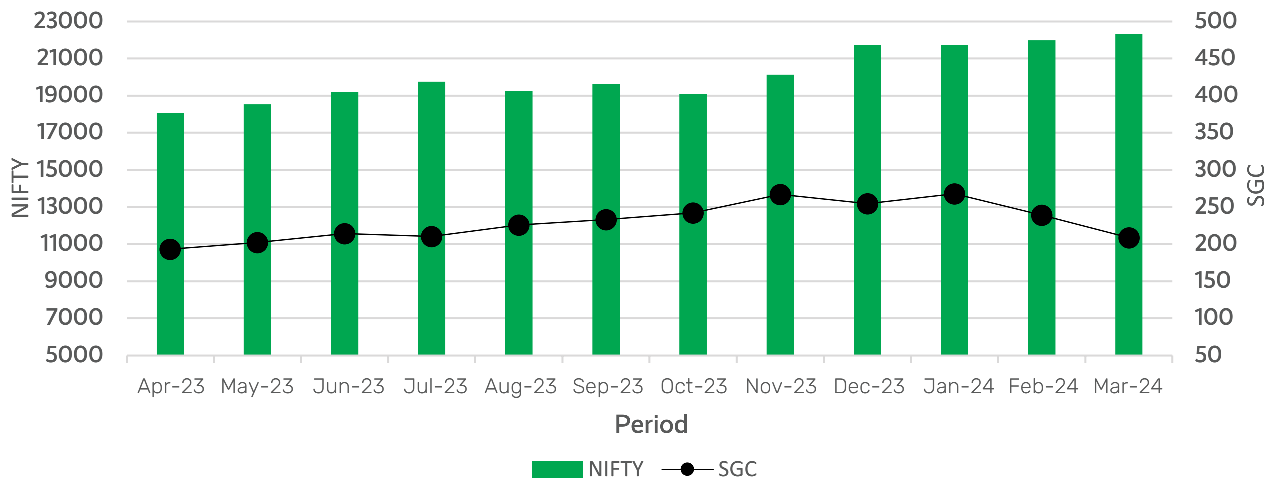
g. Market price details:

Monthly High, Low and closing prices for the Company's shares of ₹ 2/- each during the Financial Year as traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

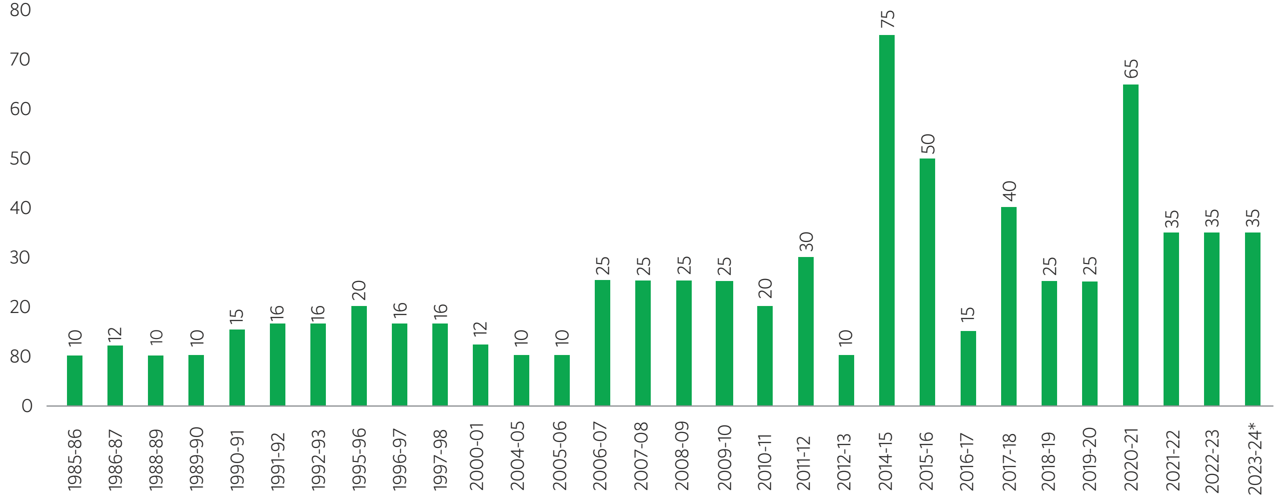
Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2023	195.80	189.20	192.85	208.35	184.00	193.10
May 2023	205.25	199.80	203.15	217.90	189.15	202.30
June 2023	218.95	213.00	214.10	228.00	202.30	214.20
July 2023	213.40	209.00	210.45	217.80	190.85	210.10
August 2023	227.85	221.10	225.75	256.95	207.20	225.90
September 2023	234.95	225.20	232.90	246.80	216.00	233.10
October 2023	248.45	237.90	243.05	269.60	227.70	241.90
November 2023	272.40	262.90	266.90	275.55	238.00	266.85
December 2023	262.95	253.50	254.65	289.05	250.00	254.70
January 2024	272.00	264.50	267.75	304.65	254.00	267.75
February 2024	240.50	233.65	238.05	271.95	234.60	238.85
March 2024	210.40	205.10	208.30	253.75	201.00	208.55

The Company's Share Price movements during the year 2023-24 as compared with SENSEX and NIFTY, are depicted below:





h. Dividend History



* Subject to the confirmation /declaration by the shareholders at the ensuing AGM, the Board has recommended a dividend at ₹ 0.70 per share (35%) for the year 2023-24.

The voting rights on the unclaimed shares outstanding as on 31st March, 2024 shall remain frozen till the rightful owners of such shares claim the shares concerned.

i. Transfer of unclaimed / unpaid dividend amounts to the Investor Education and Protection Fund ("IEPF"):

The un-claimed dividends for the financial year ended 31st March, 1996 onwards and up to the financial year ended 31st March, 2016 were duly transferred to the Investor Education and Protection Fund set up by the Government of India in accordance with the Act as applicable at the time of such transfer. Details of the unclaimed dividends for the subsequent periods are available on the company's website, www.sagarcements.in.

j. Registrars and Share Transfer Agents:

KFin Technologies Limited
Selenium Building, Tower B, Plot No(s) 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad -500032
Toll Free No: 1800-3094-001
e-mail: einward.ris@kfintech.com
Website: https://www.kfintech.com

k. None of the securities of the Company were suspended from trading.

l. Share Transfer System:

Around 99.51% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

The shareholders may kindly note that in accordance with SEBI Notification dated 8th June, 2018, with effect from 1st April, 2019, except in case of transmission or transposition of securities, fresh requests for effecting the transfer of securities (shares) are not processed by the Company/Registrar (RTA), if the shares concerned are held in physical form.

As regards transmission of shares held in physical form, the documents required for transmission, like original share certificate, death certificate, succession certificate/ legal heir certificate can be lodged either with the Company at its Registered Office or with the Company's Registrars and Share Transfer Agents, whose address has been given above.

m. Shareholdings particulars as on 31st March, 2024

(i) Distribution of shareholdings:

Sl.No	Category (Shares)	No. of Holders	% to Holders	No.of Shares	% to Equity
1	1 - 50	19089	53.56	369909	0.28
2	51 - 100	4867	13.66	412998	0.32
3	101 - 200	3167	8.89	501197	0.38
4	201 - 300	1687	4.73	436366	0.33
5	301 - 500	3344	9.38	1558751	1.19
6	501 - 1000	1518	4.26	1222197	0.94
7	1001 - 5000	1581	4.44	3333473	2.55
8	5001 - 10000	191	0.54	1428099	1.09
9	10001 - 20000	88	0.25	1246865	0.95
10	20001 - 50000	51	0.14	1679510	1.28
11	50001 - 100000	20	0.06	1350996	1.03
12	100001 and above	35	0.10	117167187	89.64
	TOTAL:	**35638**	**100.00**	**130707548**	**100.00**

(ii) Shareholding pattern:

Description	No. of holders	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	63144645	48.31	63144645	48.31
Domestic Companies	199	27885693	21.33	27872938	21.32
Mutual Funds	9	7309828	5.59	7303828	5.59
Alternate Investment Funds	3	14102228	10.79	14102228	10.79
Public - Individuals	34132	11325005	8.66	10719245	8.20
Foreign Portfolio Investors	33	3535919	2.71	3535919	2.71
Insurance Companies	1	1067967	0.82	1067967	0.82
Non-Resident Indians	779	834715	0.64	834715	0.64
Clearing Members	1	83	0.00	83	0.00
Indian Financial Institutions/Banks	4	19750	0.02	500	0.00
IEPF	1	1001893	0.77	1001893	0.77
H U F	458	374768	0.29	374768	0.29
Key Managerial Personnel	1	36937	0.03	36937	0.03
Qualified Institutional Buyer	1	64617	0.05	64617	0.05
Relatives of Promoters (Other than ‘immediate relatives’ of promoters disclosed under ‘Promoter and Promoter Group’)	2	3500	0.00	3500	0.00
Total	**35638**	**130707548**	**100.00**	**130063783**	**99.51**

EVOLUTION OF SHARE CAPITAL

Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos. From	Distinctive Nos. To
23rd January 1981	Subscribed in the Memorandum of Association	5100	₹ 10/-	1	5100
28th June 1984	Private Placement (Pre-public issue)	844900	₹ 10/-	5101	850000
4th September 1984	As above	140000	₹ 10/-	850001	990000
24th November 1984	As above	330000	₹ 10/-	990001	1320000
24th November 1984	Through Public Issue	1530000	₹ 10/-	1320001	2850000
19th December 1990	400 shares were allotted to the shareholders of erstwhile Sagar Laticrete Systems Ltd., as per the Scheme of Amalgamation of the said Company with Sagar Cements Limited	400	₹ 10/-	2850001	2850400
1st March 1993	The Company had issued FCDs, which were to be converted automatically into 53,01,900 equity shares on 1st March 1993.	5301900	₹ 20/-	2850401	8152300
9th July 2001	Company allotted these shares on a preferential basis	3000000	₹ 10/-	8152301	11152300
9th March 2007	Shares allotted against conversion of 550000 warrants earlier allotted to the promoter group on a preferential basis	550000	₹ 82/-	11152301	11702300
15th March 2007	Shares allotted to India Fund Inc., U.S.A., an FII on a preferential basis	1000000	₹ 180/-	11702301	12702300
30th July 2007	Shares allotted against conversion of 367432 warrants earlier allotted to the promoter group on a preferential basis	367432	₹ 82/-	12702301	13069732
25th October 2007	Allotted against conversion of 267568 warrants - to Amareswari Cements Limited	267568	₹ 82/-	13069733	13337300
10th April 2008	Allotted to the promoter Group against conversion of 665000 warrants	665000	₹ 82/-	13337301	14002300
6th August 2008	Allotted to M/s. Parficim S.A.S., France - A preferential allotment made at a premium of ₹690/- per share	1000000	₹ 700/-	14002301	15002300
20th May 2011	Extinguishment of 900000 equity shares held by Amareswari Cements Limited in SGC, pursuant to the Scheme of merger of the ACL with Sagar Cements Limited	(267568)		11434733	11702300
		(267568)		13069733	13337300
		(364864)		13637437	14002300
12th July 2011	Allotment of shares to the ACL Shareholders under the Scheme of its merger with SGC	3285714	₹ 10/-	15002301	18288014
7th December, 2016	Allotment of shares to the Promoter Group	3,05,993	₹ 800/-	18288015	18594007
7th December, 2016	Allotment of shares to Non-Promoter Group	3,05,993	₹ 800/-	18594008	18900000
14th February, 2017	Allotment of shares on QIP Basis	24,00,000	₹ 720/-	18900001	21300000
24th July, 2019	Allotment of shares to the Promoter Group against conversion of warrants	7,75,000	₹ 730/-	21300001	22075000
24th July, 2019	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹ 730/-	22075001	22850000
27th March, 2020	Allotment of shares to the Promoter Group against conversion of warrants	3,25,000	₹ 730/-	22850001	23175000
20th July, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	7,75,000	₹ 730/-	23175001	23950000
20th July, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	4,50,000	₹ 730/-	23950001	24400000

Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos.	
				From	To
18th August, 2021	Cancellation of 2,35,00,000 equity shares of ₹ 10/- each pursuant to splitting in to equity shares of ₹ 2/- each	(2,35,00,000)	-	-	-
18th August, 2021	Splitting of 2,35,00,000 equity shares of the face value of ₹ 10/- each into the face value of ₹ 2/- each	11,75,00,000	-	1	117500000
7th May, 2022	Allotment of shares to Non-Promoter Group	1,32,07,548	₹ 265/-per share	117500001	130707548
	Total	**13,07,07,548**			

n. Dematerialisation of Shares and liquidity:

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is – INE229C01021. Shares representing 99.51% of the share capital were in dematerialised form as on 31st March, 2024 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
643765	0.49	78868682	60.34	51195101	39.17	130707548	100.00

o. Details of outstanding GDR / ADR / Warrants or any other convertible instruments:

The company has not issued any GDR/ADR.

p. Plants Location:

Cement Plants:

1. Mattampally
Via: Huzurnagar
Suryapet District, Telangana – 508204
Tel: 08683 - 247039

2. **Bayyavaram Village**
Kasimkota Mandal
Visakhapatnam District
Andhra Pradesh – 531031
Tel: 08924 – 244098 / 244550

3. **Gudipadu Village**
Yadiki Mandal
Ananthapur District
Andhra Pradesh-515408
Tel: 08558-200272

4. **Kalinganagar, Industrial Complex**
Tahsil-Dangadi
Dist-Jajpur, Odisha-755026
Tel: 08340-882288

Hydel Power Plants:

1. **Guntur Branch Canal Hydel Project**
Tsallagundla Adda Road, Nekarikallu Mandal
Guntur District, Andhra Pradesh-522 615

2. **Lock-in-Sula Hydel Project**
Banumukkala Village, Banakacherla Regulator
Pamulapadu Mandal, Kurnool District,
Andhra Pradesh-518 422

Plant location of the Subsidiary viz., Sagar Cements (M) Private Limited

Karondiya (Village),
Post-Jeerabad, Tehsil-Gandhwani,
Dhar District,
Madhya Pradesh – 454446.

Plant location of the Subsidiary viz., Andhra Cements Limited

Sri Durga Cement Works,
Sri Durgapuram, Srinagar Post
Dachepalli mandal, Palnadu District,
Andhra Pradesh-522 414.

q. Address for investors related correspondence:

Company Secretary
Sagar Cements Limited
Registered Office: Plot No.111,
Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033
Tel. 040 – 23351571
Email: **cs@sagarcements.in**

r. **Credit Rating and Details of Revision:**

Rating Agency	Type of Instrument	Rating as on 31st March, 2024	Rating as on 31st March, 2023
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND A / Negative/ IND A1	IND A Stable IND A1
	Non-Fund based Working Capital Limits	IND A1	IND A Stable IND A1
	Term Loan	IND A / Negative	IND A Stable
	Non-convertible Debentures (NCDs)	IND A / Negative	IND A Stable

11. Other disclosures

i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2023-24 as per the Ind AS 24 issued by Institute of Chartered Accountants of India ("the ICAI") have been given under Note 34 of the Notes to Standalone Financial Statements for the year ended 31st March, 2024. These transactions were entered into by the company in its ordinary course of business and at an arm's length basis. During the year 2023-24, there were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions wherever required.

ii. Statutory compliance, Penalties and Strictures:

There were no instances of non-compliance by the Company on any matter relating to capital market during the last three years or any penalties imposed or strictures passed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to capital market during the said period.

iii. Establishment of Vigil Mechanism, Whistle Blower Policy and affirmation:

The Company has adopted a 'Vigil Mechanism' and 'Whistle Blower Policy'. The said policy has been put up on the website of the Company. No personnel has been /will be denied access to the audit committee.

iv. Compliance with Mandatory requirements and adoption of Non-Mandatory requirements:

(a) The Company had implemented all the mandatory requirements applicable to it under SEBI Listing Regulations. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations and the same may be referred in Point No.13 in this report.

(b) The audited financial statements of the Company are unqualified.

(c) The Internal Auditors directly report to the Audit Committee, and make presentations on their reports.

v. The Policy on dealing with related party transactions and the policy for determining 'material' subsidiaries are available on the company's website http://sagarcements.in/wp- content/ uploads/ 2020/08/ SCL_Policy-on-Related-Party-Transactions.pdf and https://sagarcements.in /wp-content/ uploads/2020/08/Scl_Policy-on-Material-Subsidiary_27.1.16.pdf respectively.

vi. Commodity Price risks and hedging activities:

Commodity price risk is a financial risk on an entity's financial performance upon fluctuations in the prices of commodities that are beyond the control of the entity, since they are primarily driven by external market forces.

Any Sharp fluctuations in prices will create significant business challenges, impacting the profitability of the company.

Sagar Cements Limited has captive limestone mine which is one of the major raw materials to produce cement. Commodities like Iron ore, bauxite and laterite are utilised in the manufacturing process but they are not significant.

Further the price of other major raw materials like Coal and Pet Coke which are close to 41% of the cost of production, have a significant impact on the performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials in advance to meet around six months of its operational requirement, by optimising the domestic and import sources through establishment of long term financial instruments.

Company's current exposures to the major commodities are given below:

Commodity Name	Exposure (₹ in Crores)	Exposure in Qty in (MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke / Coal (Imported)	185.98	167311	100%	-	100%	-	100%
Pet Coke / Coal (Domestic)	250.39	248542	0%	-	0%	-	0%

vii. Utilisation of funds raised through preferential allotment or qualified institutions placement:

During the FY2024, no funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of the SEBI Listing Regulations.

viii. Certificate from the Company Secretary in practice to the effect that none of the directors has been debarred or disqualified has been given in the annexure to this report.

ix. None of the recommendations made by any Committee at its meetings was rejected by the Board.

x. Fee paid to Statutory Auditors:

A total fee of ₹ 148 Lakhs was paid to the Statutory Auditors towards all services rendered by them to the company and to its subsidiaries viz., Sagar Cements (M) Private Limited and Andhra Cements Limited for the year 2023-24.

xi. Disclosure in relation to sexual harassment:

During the year 2023-24, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

xii. The company has not provided any loans and advances in the nature of loans to other firms / companies in which directors are interested other than to its subsidiary companies.

xiii. Details of material subsidiary as on 31st March, 2024

1.

Name	**Sagar Cements (M) Private Limited**
Date and place of incorporation	Incorporated on 21st March, 2001 in the State of Madhya Pradesh
Registered Office	602/A and 602/B, Airen Heights, PU-3, Scheme No.54, Opp.C-21 Mall, A.B.Road, Indore, Madhya Pradesh-452 001
Statutory Auditors	M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on 27th September, 2019 for a period of 5 years

2.

Name	**Andhra Cements Limited**
Date and place of incorporation	Incorporated on 1st November, 1936 in the State of Andhra Pradesh
Registered Office	Sri Durga Cement Works Sri Durgapuram, Palnadu, Andhra Pradesh, India, 522414
Statutory Auditors	M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on 5th June, 2023 for a period of 5 years

xiv. Reconciliation of Share Capital Audit:

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

xv. The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company www.sagarcements.in.

xvi. Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended 31st March, 2024 with the Code applicable to them. A certificate by the Managing Director to this effect has been given in the annexure to this report.

12. The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the SEBI Listing Regulation.

13. The following discretionary requirements have been adopted pursuant to Part E of Schedule II of SEBI Listing Regulations.

(a) The financial statements of the company are with un-modified opinion.

(b) The Internal Auditors of the company are directly reporting to the Audit Committee.

(c) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director. The Company reimburses the expenses incurred in performance of the Chairman's duties.

14. As on 31st March, 2024, the company was in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

15. The compliance certificate from the Company Secretary in practice regarding compliance with conditions of corporate governance has been annexed to the Directors Report.

16. The Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)

Pursuant to Regulation 39 of the SEBI Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company prior to transferring to unclaimed suspense Account. Based on their response, such shares have been transferred to "unclaimed suspense account" as per the provisions of Schedule VI of the SEBI Listing Regulations. The disclosure as required under Schedule V of the SEBI Listing Regulations is given below:

Disclosure with respect to unclaimed shares:

S. No.	Description	No. of Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	2	3000
b	Number of shareholders who approached claiming shares against the above	0	0
c	Number of shareholders to whom shares were transferred against (a) above	0	0
d	Shares transferred to IEPF under Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	0	0
e	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	2	3000

The voting rights on the shares outstanding on these shares shall remain frozen till the rightful owner of such shares claims the shares.

17. Details of agreements that bind the company

During the FY2024, the Company has entered into a Shareholders Agreement with AvH India on 29th January, 2024 after obtaining approval of shareholders at the EGM held on December 07, 2023. The information pursuant to Clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations is as follows:

1	name(s) of parties with whom the agreement is entered	Shareholders' agreement dated January 29, 2024 executed among the Company (Sagar Cements Limited), Promoters of the Company and AVH Resources India Private Limited (AvH India).
2	purpose of entering into the agreement	Recording the terms and rights of the AvH India in the Company.
3	shareholding, if any, in the entity with whom the agreement is executed	19.64%.

4	significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The following rights are granted to the Investor: (1) As long as the AvH India holds at least 5% of the shares of the Company, AvH India shall have a right to nominate 1 (one) non-executive Director on the Board of the Company, The nominee will be a member of the audit committee and the nomination and remuneration committee. (2) So long as the AvH India holds at least 3% of the shares of the Company, the AvH India will have a right to, in accordance with applicable law (a) review the risk, compliance, and internal processes in terms of the agreement; and (b) attend quarterly management review meetings of the Company to review the business performance of the Company. (3) So long as the AvH India holds at least 3% of shares of the Company, the Board cannot adopt any resolutions in relation to any amendment to the Articles that shall adversely affect the rights of the Investor. (4) The Promoters have a right to freely transfer up to 5% (five percent) Shares held by them in the Company to any third party. However, any transfer in excess of 5% (five percent) will require prior consent of the AvH India.
5	whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Not applicable
6	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Not applicable
7	in case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable
8	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreement	Not applicable
9	in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not applicable

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sagar Cements Limited having CIN: L26942TG1981PLC002887 and having registered office at Plot No.111, Road No.10, Jubilee Hills, Hyderabad, Telangana - 500033 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2024 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Anand Reddy Sammidi	00123870	21/11/2007
02	Sreekanth Reddy Sammidi	00123889	26/06/2008
03	John Eric Fernand Pascal Bertrand	06391176	17/10/2012
04	Rachana Sammidi	01590516	18/03/2015
05	Jens Van Nieuwenborgh (Alternate Director to John Eric Fernand Pascal Bertrand)	07638244	20/11/2018
06	Rekha Onteddu	07938776	30/06/2020
07	Sudha Rani Naga	09032212	20/01/2021
08	Madhavan Ganesan	01674529	11/05/2022
09	Kalidindi Venkata Vishnu Raju	00480361	20/07/2022
10	Rajagopal Ravichandran	00110930	27/03/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000337247
Peer Review No: 726/2020

Place: Hyderabad
Date: 14th May, 2024

DECLARATION REGARDING COMPLAINCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website.

I confirm that the company has in respect of the year ended March 31, 2024, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice-President and above cadre and the Company Secretary as on March 31, 2024.

Hyderabad
14th May, 2024

Dr. S. Anand Reddy
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Sagar Cements Limited,
(CIN: L26942TG1981PLC002887)
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana - 500033, India.

1. We have examined the compliance of the conditions of Corporate Governance by Sagar Cements Limited (the "Company") for the financial year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

Management's responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our responsibility

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

Opinion

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2024.

Other matters and restriction on use

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

S. Srikanth
Partner

ACS No.: 22119
C.P. No.: 7999
UDIN: A022119F000337258
Peer Review No: 726/2020

Place: Hyderabad
Date: 14th May, 2024

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

ANNEXURE - I

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	: L26942TG1981PLC002887
2.	Name of the Listed Entity	: Sagar Cements Limited
3.	Year of incorporation	: 15.1.1981
4.	Registered office address	: Plot No.111, Road No.10 Jubilee Hills, Hyderabad-500 033
5.	Corporate address	: Plot No.111, Road No.10 Jubilee Hills, Hyderabad-500 033
6.	E-mail	: info@sagarcements.in
7.	Telephone	: 040 - 23351571
8.	Website	: www.sagarcements.in
9.	Financial year for which reporting is being done	: FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	: The National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	: ₹ 26,14,15,096/-

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Shri O. Anji Reddy, Chief Sustainability Officer

Sagar Cements Limited, Regd. Office: Plot No.111, Road No.10, Jubilee Hills,

Hyderabad-500 033. Telangana

Tel.040 23351571

E-mail: anjireddy@sagarcements.in

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

The disclosures under this report have been made on consolidated basis including Sagar Cements Limited and its subsidiaries Sagar Cements (M) Private Limited and Andhra Cements Limited

14. Name of assurance provider: NA

15. Type of assurance obtained: NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture and Sale of Clinker & Cement	Manufacture and Sale of Clinker & Cement	99%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Sale of Cement & Clinker	2394	99%
2	Sale of Power	2710	1%

III. Operations

18. Number of locations where Cement plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	11	17
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	10
International (No. of Countries)	NIL

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL

c. A brief on types of customers

Dealers, Government departments, Institutional customers and retail customers/end users, Real Estate Developers; Infrastructure Companies; Institutional Buyers.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	1094	1077	98.44	17	1.55
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	**1094**	**1077**	**98.44**	**17**	**1.55**
	WORKERS					
4.	Permanent (F)	95	95	100	0	0
5.	Other than Permanent (G)	2202	2107	95.68	95	4.31

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
6.	**Total workers (F + G)**	**2297**	**2202**	**95.86**	**95**	**4.13**

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	3	33.33%
Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1077	17	15.84%	926	10	16.53%	923	8	14.65%
Permanent Workers	95	00		104	0		0	0	

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Andhra Cements Limited	Subsidiary	90%	Yes
2	Sagar Cements (M) Private Limited	Subsidiary	65%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹) 2,50,461 Lakhs

(iii) Net worth (in ₹) 2,01,862 Lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2024 (Current Financial Year)			FY2023 (Previous Financial Year)		
	(If Yes, then provide web-link for Grievance Redressal policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	(If Yes, then provide web-link for Grievance Redressal policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders		189	2	-	185	0	-
Employees and workers	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Customers	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Value Chain Partners	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other (please specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	Incase of risk, approach to adaptor mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste Management and Circular Economy	Opportunity	Waste management is a critical issue and moving towards a circular economy can be an alternative, it is important to continue innovating processes to materialise its vision of scaling up the recycling of its materials and maximising circularity including across the value chain.	Sagar Cements Limited (SGC) is committed to adhering to environmentally friendly and sustainable operations by practicing circular economy. Circular economy offers great opportunity to lower the use of limestone, fossil fuel and clinker in cement production and reduces the emission of GHG. The Company is investing heavily in using waste from operations to convert into energy and reduce the emissions.	Positive
2	Health and Safety	Risk	Employee health and safety is a non-negotiable aspect to ensure that human capital is provided with a working environment that places utmost emphasis on their mental and physical well-being.	Safety and operational risk management framework continues to play a pivotal role. Company have devised ways to review and audit the facilities periodically through virtual and physical means.	Negative
3	Governance and ethics	Opportunity	Strong ethics and transparent governance system acts as guiding pillar for business and supports growth and development	Increased transparency in disclosures and data and Strengthening relationship with Stakeholders	Positive
4	Climate Change	Risk	With the increasing awareness around climate change, it is crucial for the company to address the challenges by taking conscious efforts to ensure that the Company continues to respond to the issue and develop a pathway to decarbonise its operations.	Addressing climate change through energy transition is a strategic focus of the company's business and continuity plans. Sagar Cements Limited aims to attain Net Carbon Zero target, going beyond compliance requirements and business imperatives.	Negative
5	Water and Effluent Management	Opportunity	Water shortage and availability can hamper operations and business continuity. Because of stringent norms related to water discharge, water treatment cost is bound to increase manifold.	Company has undertaken initiatives and taken steps towards rain water harvesting and monitoring water usage on regular basis. Also efforts are made by the company to convert the waste heat to usable waste and also recycling and reuse of waste water.	Negative
6	Global regulation on curbing Green House Gases Emission	Risk	Limestone is the main input for cement manufacturing and requires fossil fuel for burning the limestone. This process releases CO_2 during calcination of limestone and combustion of fuel. This could contribute to global warming and impact business continuity and/or disruption.	To mitigate the risk, the Company has set voluntary targets to reduce emissions. The Company is taking initiatives such as energy transition to renewables, increasing the waste heat recovery systems, increase in green product portfolio and use of alternative fuels and raw materials. The Company is also exploring innovative technologies to reduce the emissions	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Businesses should conduct and govern themselves with ethics, transparency and accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the well-being of all employees

P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5: Businesses should respect and promote human rights

P6: Businesses should respect, protect and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. WebLink of the Policies, if available **P1& P4:** Code of conduct, Business responsibility Policy, Whistle Blower Policy, Policy on Materiality of Related Party Transactions, Policy on Disclosure of Material Events, Risk Management Policy, Stakeholder Management policy **WEBLINK:** https://sagarcements.in/investors/policies and https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Policies-1_10.5.2023.pdf **P2 and P6:** Energy Management Policy, Waste Management Policy, Biodiversity Policy, Green Procurement Policy, Product Sustainability Policy, Environment policy and other policies **P3, P5 & P8:** Human Rights Policy, Vigil Mechanism and Corporate Social Responsibility Policy (CSR Policy) **P9:** Fair Competition Policy and Customer Service Policy **WEBLINK:** https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cements_Policies-1_10.5.2023.pdf Apart from above, company has and ESG Roadmap that has a potential to attract conscious investors and also help reduce financial risks and demonstrate commitment to sustainable practices. **WEBLINK:** https://sagarcements.in/ESG-Roadmap/pdf/Sagar-Cements-ESG-Roadmap.pdf	Y	Y	Y	Y	Y	Y	N	Y	Y
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards(e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance,Trustea)standards(e.g. SA8000,OHSAS,ISO,BIS)adopted by your Entity and mapped to each principle.	• Earned an ISO 14001:2015and ISO 50001:2018 certification • Compliant to ISO 26000 standards • Blended cements from all plants certified as Green Proin 2019 • Committed to SBT to reduce emissions,aligned with the 1.5OC goal • Bayyavaram Plant received the GreenCo. Platinum Certificate award by CII for best practices • Gudipadu and Mattampally Plants received Green Co Gold Certificate award by CII for best practices • Certified for ISO 9001:2015 & ISO 45001:2018 management system standards. • Mattampally and Bayyavaram unit Laboratories are accredited with NABL certifications								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NA								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are Not met.	NA								

Disclosure Questions	
Governance, leadership and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges,targets and achievements (listed entity has flexibility regarding the Placement of this disclosure)	Please Refer to MD and JMD message on page no. 21
8. Details of the highest authority responsible for implementation and over sight of the Business Responsibility policy (ies).	Shri S Sreekanth Reddy Joint Managing Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues?(Yes/No). If yes, provide details.	Yes. Committee consists of Joint Managing Director as Chairman along with other functional heads

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committees of Board									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committees of Board									Annually								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Nil	Nil	Nil
Key Managerial Personnel	Nil	Nil	Nil
Employees other than BoD and KMPs	637	Soft and Technical Skill Development and Safety	100
Workers	69		73

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement	Amount (In INR)	Brief of the Case	Has an appeal been
Penalty/ Fine	NIL	NIL	NIL	NA	NO
Settlement	NIL	NIL	NIL	NA	NO
Compounding fee	NIL	NIL	NIL	NA	NO

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   SGC is committed to conducting business in an ethical and honest manner and is committed to formulating, implementing, and enforcing systems to prevent corruption at every level.

   Web link to the policy mentioned below:

   https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest: Nil

	FY 2024 (Current Financial Year)		FY 2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. – Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/ services procured) in the following format:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Number of days of accounts payables	76	49

9. Open-ness of business

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	26.26%	30.14%
	b. Number of trading houses where purchases are made from	1,881	1,687
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	32.74%	56.49%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	55%	57%
	b. Number of dealers / distributors to whom sales are made	3,055	2,673
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	16%	16%

Parameter		Metrics	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	6.05%	6.40%
	b.	Sales (Sales to related parties / Total Sales)	NIL	NIL
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	NIL	NIL
	d.	Investments (Investments in related parties / Total Investments made)	NIL	NIL

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No) - Yes**

   If Yes, provide details of the same.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹ 90*	₹ 89*	NIL
Capex	NIL	NIL	NIL

* Percentage wise it is negligible

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes, The company has well developed supplier code of conduct in place, which helps the company to integrate ESG parameter in its procurement.

   b. If yes, what percentage of inputs were sourced sustainably? Not Assessed.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The Company aims to follow circular economy model in the manufacturing and end use stage of the product lifecycle.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.-Yes, the waste collection plan is in line with the EPR plan submitted to Pollution control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
2394	Cement and Clinker	7	Mattampally Plant	Yes	Yes

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
As per LCA https://sagarcements.in/wp-content/uploads/2023/06/Environmental-Monitoring-report-March-2024.pdf		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Fly Ash, Belts, Tyres,Waste Oil	78%	80%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	71.5 MT	0	0	21 MT	0
E-waste	0	0.723 MT	0	0	0.08MT	0
Hazardous waste	40.80 MT	0	0	23.80 MT	0	0
Other waste	66,687 MT	0	0	58,806 MT	0	0

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,077	1,077	100	1,077	100	0	0	0	0	0	0
Female	17	17	100	17	100	17	100	0	0	0	0
Total	**1,097**	**1,097**	**100**	**1,097**	**100**	**17**	**100**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	95	95	100	95	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**95**	**95**	**100**	**95**	**100**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent workers											
Male	2,107	2,107	100	2,107	100	0	0	0	0	0	0
Female	95	95	100	95	100	0	0	0	0	0	0
Total	**2,202**	**2,202**	**100**	**2,202**	**100**	**0**	**0**	**0**	**0**	**0**	**0**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Type of waste	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.13%	0.12%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	100	0.07	Yes	100	0.05	Yes
Others – please specify	NIL	NIL	NIL	NIL	NIL	NIL

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. **Yes**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. **No**

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	0	0	0	0
Total	**0**	**0**	**0**	**0**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Through one to one interaction and conducting group meetings
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1094	0	0	936	0	0
- Male	1077	0	0	926	0	0
- Female	17	0	0	10	0	0
Total Permanent Workers	95	86	90.5	107	0	0
- Male	95	86	90.5	107	0	0
- Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1077	1235	114	1032	95.82	926	626	67	654	70
Female	17	03	17.6	01	5.88	10	0	0	10	100
Total	**1094**	**1238**	**113.16**	**1033**	**94.4**	**936**	**624**	**66.66**	**664**	**70.94**
Workers										
Male	95	49	51.5	108	113.6	104	104	100	104	100
Female	0	0	0	0	0	0	0	0	0	0
Total	**95**	**49**	**51.5**	**108**	**113.6**	**104**	**104**	**104**	**104**	**104**

9. Details of performance and career development reviews of employees and worker:

Category	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1077	736	68.33	926	845	91.25
Female	17	08	47.05	10	10	100
Total	**1094**	**744**	**68.00**	**936**	**855**	**91.34**
Workers						
Male						
Female						
Total		**NIL**				

10. Health and safety management system:

 a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system? **Yes. Total work force covered.**

 b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? **Regular safety drills are being conducted.**

 c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) – **Yes**

 d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No) - Yes**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1	1.6
Total recordable work-related injuries	Employees	5	2
	Workers	86	22
No. of fatalities	Employees	1	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	0
	Workers	10	1

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

    Ensuring the safety and health of the workforce has been and will continue to be of paramount importance for Sagar Cements Limited. The workforce undergoes an induction before starting work so that they are familiarised with the work processes, safety rules and also the hazards and the related controls in their respective tasks. Company has established a robust process for hazard identification and risk assessment for tasks that may pose a risk, and puts in place control measures to mitigate the identified risks. The workforce is continuously involved in analysis of workplace conditions in an effort to identify and eliminate potential or existing hazards, this ensures they are aware of the hazards for each job and process and the role that they have in controlling the hazard.

13. Number of Complaints on the following made by employees and workers:

	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	Yes/No (If Yes, then give details of the mechanism in brief)
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. - Nil

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)? - **Yes, Group Insurance Cover**

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Verification of records done at regular intervals for all value chain partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/ No)- No**

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

    Annual Health check-up is conducted for all the employees and workers and based on the outcome, necessary support is provided to address the same.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   At Sagar Cements Limited, we believe that our responsibility as a responsible cement manufacturer goes beyond delivering quality products to our customers. We understand the importance of creating a sustainable future for all and strive to build meaningful connections with our major stakeholders employees, suppliers, customers, regulators, investors, and the communities we operate in. We actively seek input and feedback from our stakeholders through various channels, allowing us to understand their perspectives and incorporate their valuable suggestions.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website or Others)	Frequency of engagement (Annual/Half yearly/ Quarterly/Others-Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes	Internal communication Platforms, Meetings, Notice Board, E-mail	Daily	Employee engagement is an on-going exercise conducted throughout the year.
Customers	Yes	Website, E-mails, Pamphlets, Advertisement, Surveys and Grievance Redressal	As and when required	Product Review, Customer satisfaction, feedback, understanding client, business and industry challenges and grievances
Investors and Shareholders	No	General Meetings, Investor Meetings, Annual reports and website	Annually and as and when required	To keep investors and shareholders updated about the organisations performance and other corporate developments and Understanding their expectations
Suppliers and contractors	No	Meetings, feedback and grievance systems	As and when required	Adaptation of procurement processes to environmental, economic and ethical requirements and Adherence to the Supplier code of conduct, and long-term business relationships.
Government and Regulators	No	Regulatory filings, Website, etc.	As and when required	Good governance practice; community engagement; regulatory compliance; environmental initiatives
Community	Yes	Website, Surveys and one on one meetings	Annually/Half yearly/Quarterly/ as and when required	To understand community needs, implementation of CSR, etc

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1094	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	**1094**	**0**	**0**	**0**	**0**	**0**
Workers						
Permanent	95	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	**95**	**0**	**0**	**0**	**0**	**0**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F /D)
Employees										
Permanent	1094	0	0	1094	100	936	0	0	104	0
Male	1077	0	0	1077	100	926	0	0	104	0
Female	17	0	0	17	100	10	0	0	0	0
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

Category	FY2024 (Current Financial Year)					FY 2023 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F /D)
					Workers					
Permanent	95	0	0	95	100	104	0	0	104	100
Male	95	0	0	95	100	104	0	0	104	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	2202	0	0	2202	100	1867	0	0		
Male	2107	1453	68.96	654	31.03	1773	1064	59.97	710	40.00
Female	95	95	100	0	0	93	93	100	0	0

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Non-Executive Directors are not paid any remuneration, other than sitting fee		Non-Executive Directors are not paid any remuneration, other than sitting fee	
Key Managerial Personnel	3	₹ 81.97 Lakhs	Nil	Nil
Employees other than BoD and KMP	802	₹ 5.63 Lakhs	13	₹ 6.06 Lakhs
Workers				

*Details pertaining to BoD, KMP & Employees of SGC only.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Gross wages paid to females as % of total wages	1.00%	1.27%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No): Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues: **Workmen Grievance Redressal Committee addresses the complaints, if any, on case to case basis.**

6. Number of Complaints on the following made by employees and workers:

	FY2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. **Workmen Grievance Redressal Committee addresses the complaints, if any, on case to case basis**.

9. Do human rights requirements form part of your business agreements and contracts? **(Yes/No)- Yes**

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above. - **NA**

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

4. Details on assessment of value chain partners: **NIL**

	% of value chain (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. - **NA**

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	52,584 MWh/189.30 TJ	53,956 MWh/194.24 TJ
Total fuel consumption (B)	70.08 TJ	56.49 TJ
Energy consumption sources (C)	NIL	NIL
Total energy consumed from renewable sources (A+B+C)	**259.38 TJ**	**250.73 TJ**
From non-renewable sources		
Total electricity consumption (D)	4,07,940 MWh/1468.58 TJ	3,23,344 MWh/1164.04 TJ
Total fuel consumption (E)	13483.55 TJ	10966.97 TJ
Energy consumption sources (F)	NIL	NIL
Total energy consumed from non-renewable sources (D+E+F)	**14,952.13 TJ**	**12,131.01 TJ**
Total energy consumed (A+B+C+D+E+F)	**15,211.51 TJ**	**12,381.74 TJ**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.61 TJ/Million Rupees	0.56 TJ/Million Rupees
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	NIL	NIL
Energy intensity in terms of physical output	0.00262 TJ/ton cementitious	0.00261 TJ/ton cementitious
Energy intensity (optional) – the relevant metric may be selected by the entity	726 Kcal/kg of Clinker	726 Kcal/kg of Clinker

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. Assured by TUV India Private Limited (External Agency).**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **Yes**

Designated consumers under PAT Scheme of Government of India:

1. Mattampally Plant: Target well below 0.0914 TOE/ton of product, Achieved 0.0909 TOE/ton of product.
2. Gudipadu Plant: Target well below 0.1241 TOE/ton of product, Achieved 0.0903 TOE/ton of product.
3. Bayyavaram comes under PAT scheme, Target not yet set by PAT scheme of GOI

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	6,30,198 KL	4,99,775 KL
(ii) Groundwater	2,43,714 KL	2,85,105 KL
(iii) Third party water	25,200 KL	11,489 KL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**8,99,112 KL**	**7,96,369 KL**
Total volume of water consumption (in kiloliters)	**8,99,112 KL**	**7,96,369 KL**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	35.9 KL/Million Rupees	35.72 KL/Million Rupees
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NIL	NIL
Water intensity in terms of physical output	155 L/ton cementitious	168 L/ton cementitious
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. Assured by TUV India PVT LTD (External Agency)**.

4. Provide the following details related to water discharged:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(ii) To Groundwater		
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iii) To Seawater	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iv) Sent to third-parties	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(v) Others	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
Total water discharged (in kiloliters)	**NIL**	**NIL**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. Assured by TUV India PVT LTD (External Agency)**.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **Yes, ZLD has been implemented over all the plants.**

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
NOx	MT	2,820	2,496
SOx	MT	232	298
Particulate matter (PM)	MT	198	212
Persistent organic pollutants (POP)	MT	NIL	NIL
Volatile organic compounds (VOC)	MT	NIL	NIL
Hazardous air pollutants (HAP)	MT	NIL	NIL
Ozone Depleting Substances (ODS)	MT	0.29	0.25

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes. Assured by TUV India PVT LTD (External Agency).

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter		FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	36,71,703	30,99,944
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,98,660	1,19,950
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Ton of CO_2/ Million Rupees	154.5	144.4
Total Scope 1 and Scope 2 emission intensity- relevant metric may be selected by the entity for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output		666 kg CO_2 / ton cementitious	680 kg CO_2 / ton cementitious
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes. Assured by TUV India PVT LTD (External Agency).

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

1. Installation of 6 MW solar power project in Gudipadu.
2. Installation 4 MW WHRS at Gudipadu.
3. Plastic Waste Feeding Setup in Pyro Redox Operational system in Jeerabad.
4. New AF feeding system commissioned to enhance our TSR %.
5. Initiated a pilot project for biomass cultivation as fuel for cement kiln in Mattampally.
6. Deployed two electric trucks (35 Tonnes Net load) into our operations at Bayyavaram unit.
7. Two E-loaders each are in operation at Mattampally and Dachepalli Units.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	71.48	21
E-waste **(B)**	0.723	0.08
Bio-medical waste **(C)**	0.067	0.03
Construction and demolition waste **(D)**	NIL	NIL
Battery waste **(E)**	1.68	2.35
Radioactive waste **(F)**	NIL	NIL
Other Hazardous waste. Please specify, if any. **(G)**	40.8	23.8
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	66,687	58,806
Total (A+B + C + D + E + F + G + H)	**66,802**	**58,853**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	2.66 MT/ Million ₹	2.64 MT/ Million ₹
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output	0.011 MT/Ton Cementitious	0.012 MT/Ton Cementitious
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	66,802	58,853
(ii) Re-used	4,610.81	2,246.29
(iii) Other recovery operations	9.24	5.21
Total	**71,422**	**61,104.5**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	8.07	7.26
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**8.07**	**7.26**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. Assured by TUV India PVT LTD (External Agency)**.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

    1. Chemical effluents lubricants reused as alternative fuel
    2. Softener water reject being used as process water for cement process
    3. Power plant reject water neutralisation being used for gardening after blending with harvested water
    4. Power plant blow down water being used as make up water for cooling tower

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity

hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
	NIL	NIL	NIL

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	Nil	Nil	Nil

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	630198	499775
(ii) Groundwater	243714	285105
(iii) Third party water	25200	11488.86
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kiloliters)	**899112**	**796369**
Total volume of water consumption (in kiloliters)	**899112**	**796369**
Water intensity per rupee of turnover (Water consumed / turnover)	35.9 KL/Million Rupees	35.71 KL/Million Rupees
Water intensity (optional) – the relevant metric may be selected by the entity	155 Liters/Ton of Cementitious	168 Liters/Ton of Cementitious
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(ii) Into Groundwater		
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iii) Into Seawater	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
(iv) Sent to third-parties	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(v) Others	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
Total water discharged (in kiloliters)	**NIL**	**NIL**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Assured by TUV India PVT LTD (External Agency).

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	66572	96,347
Total Scope 3 emissions per rupee of turnover	TCO_2/Million Rupees	2.66	4.32
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Kg CO_2/T Cementitious	11.45	20

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Assured by TUV India PVT LTD (External Agency).

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. **NA**

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installed six stage preheaters with LP cyclones and Inline calciners.	NA	Energy consumption decreases
2	Deployment of 2 EV trucks in Bayyavaram and 4 EV loader two each at Mattampally and ACL.	NA	Dependency on fossil fuels decreases.
3	Taken up pilot project in 37 acres to check the feasibility of utilising green grass as kiln fuel in Mattampally.	NA	Fuel emissions decreases

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. Risk register and mitigation plan.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. **NIL**

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. **NIL**

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National council of Cement and building materials (NCCBM)	National
2	Confederation of Indian Industries (CII)	National
3	Federation of Indian chambers of commerce and Industries (FICCI)	National
4	South India cement manufacturers Association (SICMA)	South Indian states
5	Global Cement and Concrete Association (GCCA)	International

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)	Name of the trade and industry chambers/ associations
	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **NA**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)

3. Describe the mechanisms to receive and redress grievances of the community. **Nil**

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	6.4	17
Directly from within India (with in district and neighboring districts	34	30

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	230	101
Semi-urban	-	-
Urban	41	59
Metropolitan	50	14

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR) Lakhs
	Telangana and Andhra Pradesh,Madhya Pradesh, Orissa	Suryapet, Nalgonda, Vishakapatnam and Ananthapur, Jajpur, Karondya	290

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/ No) - **NO**

   (b) From which marginalised /vulnerable groups do you procure? **NA**

   (c) What percentage of total procurement (by value) does it constitute? **NA**

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	Nil	Nil	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	NA	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
	Preventive health care,Safe drinking water,Training and education, Promotion of rural development and sports	107,865	100

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
   Complaints, if any, are being routed through local sales officers/e-mails and it is being addressed promptly to customers satisfaction

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: **NIL**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024 (Current Financial Year)		Remarks	FY 2023 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy. – **NA**
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. - **NA**
7. Provide the following information relating to data breaches:
   a. Number of instances of data breaches - **NIL**
   b. Percentage of data breaches involving personally identifiable information of customers - **NIL**
   c. Impact, if any, of the data breaches - **NIL**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). **www.sagarcements.in**
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   By Conducting technical sessions and mason meets at regular intervals.
3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

   Through Emails and one to one meeting.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) - **No**

INDEPENDENT AUDITOR'S REPORT

To The Members of **Sagar Cements Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sagar Cements Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue from Operations – Sales made to trade customers/dealers:** **(Refer Note 20 to the standalone financial statements)** Revenue from sale made to trade customers/dealers is recorded at the time of dispatch based on sales order raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/dealers are obtained on dispatch of goods.	Principle Audit Procedures Performed: • Evaluated the appropriateness of the Company's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). • Obtained an understanding of the management's process and evaluated the design, implementation and operating effectiveness of the Company's key internal financial control over the revenue recognition process. We carried out combination of procedures involving inquiry and inspection of evidence in respect of operating effectiveness of these controls. • We understood the process and controls around sale order creation in the IT system of the Company and tested the general IT controls and manual controls over the Company's system which record the sales order in the system.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	We have identified recognition of revenue as a Key Audit Matter as the volume of such sales orders which are in the form of oral/email requests received from the sales officers, basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgement on dispatch.	• Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. • Performed reconciliation of sales recorded with statutory records of the Company. • Compared the sales made to trade customers/dealers with historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report 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, except for matters stated in (h)(vi) below.

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

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

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements.

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;

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

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

   iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 50(v) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 50(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified

INDEPENDENT AUDITOR'S REPORT

in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in note 39 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at database level and for certain master tables at the application level for accounting software to log any direct data changes.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFF5837)

Place: Hyderabad
Date: May 14, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **SAGAR CEMENTS LIMITED** ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS 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 with reference to standalone financial statements based on the internal control with reference to the standalone financial statements 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 the 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 with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFF5837)

Place: Hyderabad
Date: May 14, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, Capital work-in-progress and relevant details of right-of-use of assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use of assets so as to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and 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) Based on the examination of the registered sales deed/transfer deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements and included in property, plant and equipment and capital work-in-progress, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans, guarantees etc., are held in the name of the Company based on the confirmations directly received by us from lenders/custodian.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

(ii) (a) The inventories (except for goods-in-transit, which have been received subsequent to year-end), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, at various points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments in, provided guarantee or security and granted unsecured loans to companies during the year, in respect of which

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(a) The Company has made investments in, provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

(₹ in Lakhs)

Particulars	Investment	Loans	Guarantees	Security
Aggregate amount granted/ provided during the year:				
- Subsidiaries	-	4,000	66,500	-
- Others	-	208	-	-
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	48,665	10,930	1,03,500	15,879
- Others	-	180	-	-

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be 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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the Statue	Nature of dispute	Amount unpaid (₹ Lakhs)	Amount paid under protest (₹ Lakhs)	Period to which the amount relates	Forum where Dispute is pending
Central Excise Act, 1944	Excise Duty	280	46	2011-12 and 2012-13	Customs Excise & Service Tax Appellate Tribunal
		450	33	2016-2017	Commissioner of central tax
		133	-	2015-16 and 2016-17	Commissioner of Appeals
Sales Tax and VAT laws	Sales Tax and VAT	15	5	1999-2000	Sales Tax Appellate Tribunal
		243	52	2008-09 to 2010-11 and 2017-18 to 2018-19	High Court of Telangana and Andhra Pradesh
Customs Act, 1962	Customs Duty	189	4	2012-13	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	28	-	2008-09 to 2009-10	Income Tax Appellate Tribunal
		1,717	157	2011-12	Commissioner of Income Tax (Appeals)
		896	252	2015-16 and 2016-17	
Local Areas Act, 2001	Entry Tax	94	33	2012-13 to 2017-18	High Court of Telangana and Andhra Pradesh
Central Goods & Service Tax, 2017	GST	47	-	2017-18 to 2021-22	Joint Commissioner/ Additional Commissioner of Central Tax

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company

(e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable

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

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up-to the date of this report).

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

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up-to December 2023 and the final of the internal audit reports were issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable

(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) (a) of the Order is not applicable for the year

(b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFF5837)

Place: Hyderabad
Date: May 14, 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023*
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,47,362	1,43,513
(b) Capital work-in-progress	42	1,440	7,217
(c) Goodwill		3,938	3,938
(d) Intangible assets			
(i) Mining rights	3	1,850	2,018
(ii) Other intangible assets	3	38	30
(e) Right of use assets	4	584	723
(f) Financial assets			
(i) Investments	5	48,665	49,642
(ii) Loans	6	11,024	6,983
(iii) Other financial assets	7	2,774	3,059
(g) Income tax assets (net)	28	1,551	435
(h) Other non-current assets	8	924	1,386
Total Non-current assets		**2,20,150**	**2,18,944**
Current assets			
(a) Inventories	9	20,703	22,172
(b) Financial assets			
(i) Trade receivables	10	16,361	14,067
(ii) Cash and cash equivalents	11	15,583	13,106
(iii) Bank balances other than cash and cash equivalents	12	7,154	1,988
(iv) Loans	6	86	48
(v) Other financial assets	7	2,049	1,213
(c) Current tax assets (net)	28	-	75
(d) Other current assets	8	5,612	9,066
Total Current assets		**67,548**	**61,735**
TOTAL ASSETS		**2,87,698**	**2,80,679**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,614	2,614
(b) Other equity	14	1,67,913	1,65,804
Total Equity		**1,70,527**	**1,68,418**
Liabilities			
Non-current liabilities			
(i) Borrowings	15A	23,175	32,753
(i.a) Lease liabilities	35	79	90
(ii) Other financial liabilities	16	11,163	8,619
(b) Provisions	17	965	831
(c) Deferred tax liabilities (net)	28	10,799	10,355
(d) Other non-current liabilities	19	229	229
Total Non-current liabilities		**46,410**	**52,877**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	24,620	26,348
(i.a) Lease liabilities	35	28	157
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		4,593	161
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		31,899	23,934
(iii) Other financial liabilities	16	971	1,442
(b) Provisions	17	489	363
(c) Income tax liabilities (net)	28	1,018	-
(d) Other current liabilities	19	7,143	6,979
Total Current liabilities		**70,761**	**59,384**
Total Liabilities		**1,17,171**	**1,12,261**
TOTAL EQUITY AND LIABILITIES		**2,87,698**	**2,80,679**
*Refer Note 40			
The accompanying notes are an integral part of these financial statements	1		

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023*
I	Revenue from operations	20	1,90,755	1,96,382
II	Other income	21	5,391	22,658
III	**Total Income (I + II)**		**1,96,146**	**2,19,040**
IV	**Expenses**			
	(a) Cost of materials consumed	22	41,238	34,797
	(b) Purchases of stock-in-trade	23A	2,747	2,437
	(c) Changes in inventories of finished goods and work-in-progress	23B	(4,357)	2,186
	(d) Employee benefits expense	24	8,895	8,643
	(e) Finance costs	25	7,509	15,972
	(f) Depreciation and amortisation expense	26	11,651	11,355
	(g) Power and fuel expense		65,722	75,391
	(h) Freight and forwarding expense		34,846	33,844
	(i) Other expenses	27	23,394	24,235
	Total Expenses		**1,91,645**	**2,08,860**
V	**Profit before tax (III - IV)**		4,501	10,180
VI	**Tax expense**			
	(a) Current tax	28	890	2,330
	(b) Deferred tax	28	494	497
	Total Tax expense		**1,384**	**2,827**
VII	**Profit after tax (V - VI)**		3,117	7,353
VIII	**Other comprehensive (loss)/ income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain on defined benefits plan	33	(143)	21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28	50	(7)
	Other comprehensive (loss)/ income for the year, net of tax		**(93)**	**14**
IX	**Total comprehensive income (VII + VIII)**		**3,024**	**7,367**
X	**Earnings per equity share (Face value of ₹ 2 each fully paid (March 31, 2023: ₹ 2 each fully paid))**			
	Basic and Diluted	36	2.38	5.68
	*Refer Note 40			
	The accompanying notes are an integral part of these financial statements	1		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

For and on behalf of the Board of Directors of
Sagar Cements Limited

C Manish Muralidhar
Partner
Membership No: 213649

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

Place: Hyderabad
Date: May 14, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance as at March 31, 2022	2,350
Changes in equity share capital during the year (Refer note 41)	264
Balance as at March 31, 2023	**2,614**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**2,614**

B. Other equity

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other equity
	Capital reserve	Securities premium account	General reserve	Retained earnings		
Balance as at March 31, 2022	**35**	**54,327**	**3,598**	**69,188**	**(87)**	**1,27,061**
Effect of business combination (Refer note 40)	-	-	-	(1,734)	1	(1,733)
Profit for the year	-	-	-	7,353	-	7,353
Dividend on equity shares (Refer note 39)	-	-	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 7)	-	-	-	-	14	14
Premium on allotment of equity shares (Refer note 41)	-	34,736	-	-	-	34,736
Expenses on issue of shares	-	(712)	-	-	-	(712)
Balance as at March 31, 2023	**35**	**88,351**	**3,598**	**73,892**	**(72)**	**1,65,804**
Profit for the year	-	-	-	3,117	-	3,117
Dividend on equity shares (Refer note 39)	-	-	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 50)	-	-	-	-	(93)	(93)
Balance as at March 31, 2024	**35**	**88,351**	**3,598**	**76,094**	**(165)**	**1,67,913**

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

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STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023 *	
A Cash flow from operating activities				
Profit before tax		4,501		10,180
Adjustments for				
Depreciation and amortisation expense	11,651		11,355	
Finance costs	7,509		15,972	
Interest income	(2,092)		(20,661)	
Liabilities no longer required written back	(9)		(13)	
Gain on sale of investments (Refer note 5)	(3,189)		(1,929)	
Expected credit loss allowance on trade receivables	-		293	
Provision for incentives receivable from government	900		900	
Allowance for credit losses on capital advances	-		400	
Allowance for credit losses on supplier advances	50		-	
Unrealised gain on foreign currency transactions and translation	(74)		-	
Net loss on fair value change in financial instruments	10		-	
Loss on fair valuation of investments (net)	-		89	
Loss/ (profit) on sale of property, plant and equipment (net)	65		(34)	
		14,821		6,372
Operating profit before working capital changes		**19,322**		**16,552**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(2,294)		(1,741)	
Inventories	1,469		(3,694)	
Other financial assets	(880)		(306)	
Other assets	2,593		1,773	
		888		(3,968)
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	12,480		4,544	
Other financial liabilities	2,138		1,958	
Provisions	117		176	
Other liabilities	164		(2,804)	
		14,899		3,874
Cash generated from operating activities		**35,109**		**16,458**
Less: Income tax paid		(913)		(3,022)
Net cash generated from operating activities		**34,196**		**13,436**
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(9,868)		(7,925)	
Deposits not considered as cash and cash equivalents				
- Placed	(4,488)		(2,831)	
- Matured	376		1,923	
Proceeds from sale of property, plant and equipment	168		93	

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023 *	
Proceeds from sale of investments (Refer note 5)	4,885		45,149	
Acquisition of subsidiary (Refer note 5)	-		(32,223)	
Unsecured loans given to subsidiaries	(4,000)		(2,000)	
Interest received	1,154		16,680	
Net cash (used in)/ generated from investing activities		**(11,773)**		**18,866**
C Cash flow from financing activities				
Proceeds from allotment of equity shares (Refer note 41)	-		35,000	
Expenses on issue of shares	-		(712)	
Proceeds from non-current borrowings	623		5,427	
Repayment of non-current borrowings	(9,276)		(59,333)	
Loans given to employees (net)	(79)		(101)	
Proceeds from current borrowings (net)	(2,653)		1,124	
Repayment of lease liabilities	(165)		(160)	
Interest paid	(7,481)		(13,575)	
Dividends paid	(915)		(915)	
Net cash used in financing activities		**(19,946)**		**(33,245)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**2,477**		**(943)**
Cash and cash equivalents at the beginning of the year		13,106		14,049
Cash and cash equivalents at the end of the year (Refer note 11)		**15,583**		**13,106**
Note:				
Cash and cash equivalents comprises of:				
Cash in hand		3		3
Balances with banks		89		102
Deposits with banks		15,491		13,001
Cash and cash equivalents (Refer note 11)		**15,583**		**13,106**

* Refer Note 40

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2023	Effect of business combination	Cash flow changes		Non-cash flow changes	As at March 31, 2024
			Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	41,987	-	623	(9,276)	-	33,334
Loan from related party and others	193	-	-	-	-	193
Current borrowings	17,114	-	-	(2,653)	-	14,461
Total liabilities from financing activities	**59,294**	**-**	**623**	**(11,929)**	**-**	**47,988**

Particulars	As at April 01, 2022	Effect of business combination	Cash flow changes		Non-cash flow changes	As at March 31, 2023*
			Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	76,115	19,778	5,427	(59,333)	-	41,987
Loan from related party and others	193	-	-	-	-	193
Current borrowings	12,965	3,025	1,124	-	-	17,114
Total liabilities from financing activities	**89,273**	**22,803**	**6,551**	**(59,333)**	**-**	**59,294**

Reconciliation of lease liability:

Particulars	As at April 01, 2023	Effect of business combination	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2024
Lease liabilities	247	-	16	9	(165)	107

Particulars	As at April 01, 2022	Effect of business combination	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2023*
Lease liabilities	320	50	17	20	(160)	247

*Refer Note 40

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

For and on behalf of the Board of Directors of
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Date: May 14, 2024

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Date: May 14, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

1. Corporate information and material accounting policies

a) Corporate Information:

Sagar Cements Limited ("the Company") was incorporated under the Companies Act, 1956 as a public limited company on January 15, 1981. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Hyderabad, Telangana. Its shares are listed on The National Stock Exchange (NSE) of India Limited and the BSE Limited.

b) Material accounting policies

i) Statement of compliance

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

ii) Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, net realisable value in Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

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

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

iii) Functional and Presentation currency

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

Rounding of amounts

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

iv) Use of estimates and Judgements

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

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

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

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

- **Defined benefit plans**

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

- **Recognition of deferred tax assets and liabilities**

  Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

- **Fair value measurement of Financial instruments**

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

- **Provisions and contingencies**

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

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

- **Leases**

  Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Impairment of investments in subsidiaries**

  Determining whether the investments in subsidiaries, are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

- **Inventories**

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

- **Expected credit losses**

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

- **Mining rights**

  The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

v) Business combination

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values or recognise any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after remeasurement, is recognised in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination as a bargain purchase.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Mining rights

The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

vi) Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment atleast annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

vii) Revenue recognition:

The Company derives revenue from the sale of cement and recognises when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from service contracts with customers is recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power:

In case of power generation, revenue from sale of energy is recognised 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Dividend and interest income

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

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

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

viii) 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.

Investment 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.

ix) Government grants

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

a) The Company will comply with the conditions attached to them; and

b) The grant will be received.

x) Employee benefits

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

Defined Contribution Plans:

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

Defined Benefit Plans:

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense.

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised 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.

xi) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and further excludes 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 date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of the goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date 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 date.

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.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xii) Property, plant and equipment

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

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery, railway siding is charged under straight line method and on other assets depreciation is charged under diminishing balance method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Railway siding	25 years
Plant and machinery other than continuous process plant	3 - 25 years
Electrical installations	15 years and 25 years

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Land-Restoration:

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

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

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

xiii) Intangible assets and amortisation

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognised on a diminishing balance method over their estimated useful lives for software and mining rights is charged under straight line method over the period of the respective mining agreement. 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.

xiv) Inventories

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

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

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

xv) 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) before 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.

xvi) Foreign currency transactions and translations:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

xvii) Financial Instruments:

(A) Initial recognition:

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognised immediately in profit and loss.

(B) Subsequent measurement:

Non-derivative Financial Instruments:

a. **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments other than investment in equity instruments of subsidiaries to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. **Financial liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

(C) De-recognition of financial assets and liabilities:

a. *Financial assets:*

The Company derecognises 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised 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 recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Company derecognises 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 derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

xviii) Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not hold derivative financial instruments for speculative purposes.

xix) Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

xx) Impairment of assets

a. Financial assets:

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit and loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised 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 recognised in the statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

b. **Non-financial assets:**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised 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 recognised for the asset in prior years.

c. **Impairment of investment in subsidiaries**

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments

xxi) 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.

xxii) Provisions, contingent liabilities and contingent assets

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).

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

xxiii) 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.

xxiv) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

xxv) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

xxvi) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2024.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2024	As at March 31, 2023
Land - freehold	9,703	9,803
Land - restoration	127	138
Buildings	32,123	28,605
Plant and machinery	89,661	89,600
Furniture and fittings	153	166
Office and other equipment	3,292	2,617
Electrical installations	6,782	7,326
Computers	97	81
Vehicles	851	355
Railway siding	4,573	4,822
Total	**1,47,362**	**1,43,513**

For the year 2023-24

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block											
Opening Balance	**9,803**	**229**	**44,908**	**1,37,469**	**1,014**	**7,128**	**17,818**	**610**	**1,437**	**6,684**	**2,27,100**
Add: Additions	8	-	6,660	5,807	22	1,338	773	77	720	-	15,405
Less: Disposals	108	-	-	119	-	165	26	-	109	-	527
Balance as at March 31, 2024	**9,703**	**229**	**51,568**	**1,43,157**	**1,036**	**8,301**	**18,565**	**687**	**2,048**	**6,684**	**2,41,978**
II. Accumulated depreciation											
Opening Balance	**-**	**91**	**16,303**	**47,869**	**848**	**4,511**	**10,492**	**529**	**1,082**	**1,862**	**83,587**
Add: Depreciation expense	-	11	3,142	5,657	35	637	1,313	61	218	249	11,323
Less: Eliminated on disposal of assets	-	-	-	30	-	139	22	-	103	-	294
Balance as at March 31, 2024	**-**	**102**	**19,445**	**53,496**	**883**	**5,009**	**11,783**	**590**	**1,197**	**2,111**	**94,616**
Net block (I-II)											
Carrying value as at March 31, 2024	**9,703**	**127**	**32,123**	**89,661**	**153**	**3,292**	**6,782**	**97**	**851**	**4,573**	**1,47,362**
Carrying value as at March 31, 2023	9,803	138	28,605	89,600	166	2,617	7,326	81	355	4,822	1,43,513

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2022-23

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block											
Opening Balance	**9,787**	**229**	**32,151**	**1,21,149**	**917**	**5,605**	**13,571**	**554**	**1,434**	**6,684**	**1,92,081**
Add: Effect of business combination (Refer note 40)	-	-	10,453	12,809	90	1,121	3,275	16	-	-	27,764
Add: Additions	24	-	2,304	3,518	7	476	1,017	40	44	-	7,430
Less: Disposals	8	-	-	7	-	74	45	-	41	-	175
Balance as at March 31, 2023	**9,803**	**229**	**44,908**	**1,37,469**	**1,014**	**7,128**	**17,818**	**610**	**1,437**	**6,684**	**2,27,100**
II. Accumulated depreciation											
Opening Balance	**-**	**80**	**13,093**	**42,577**	**796**	**3,807**	**9,080**	**473**	**974**	**1,613**	**72,493**
Add: Effect of business combination (Refer note 40)	-	-	84	46	1	18	28	5	-	-	182
Add: Depreciation expense	-	11	3,126	5,249	51	750	1,396	51	145	249	11,028
Less: Eliminated on disposal of assets	-	-	-	3	-	64	12	-	37	-	116
Balance as at March 31, 2023	**-**	**91**	**16,303**	**47,869**	**848**	**4,511**	**10,492**	**529**	**1,082**	**1,862**	**83,587**
Net block (I-II)											
Carrying value as at March 31, 2023	**9,803**	**138**	**28,605**	**89,600**	**166**	**2,617**	**7,326**	**81**	**355**	**4,822**	**1,43,513**
Carrying value as at March 31, 2022	9,787	149	19,058	78,572	121	1,798	4,491	81	460	5,071	1,19,588

1. Pledge on property, plant and equipment:

(i) Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 1,46,384 (March 31, 2023: ₹ 1,43,020) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles and land restoration) are subject to a pari-passu second charge on the Company's current borrowings. Refer note 15A and 15B.

(ii) Vehicles with carrying amount of ₹ 851 (March 31, 2023: ₹ 355) are hypothecated to respective banks against vehicle loans. Refer note 15A and 15B.

2. The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its Property, plant and equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

3. Intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Mining rights	1,850	2,018
Other intangible assets	38	30
Total	**1,888**	**2,048**

For the year 2023-24

Particulars	Mining rights	Other intangible assets	Total
Gross Block			
Opening Balance	**3,276**	**427**	**3,703**
Add: Additions	-	13	13
Less: Disposals	-	-	-
Balance as at March 31, 2024	**3,276**	**440**	**3,716**
II. Accumulated amortisation			
Opening Balance	**1,258**	**397**	**1,655**
Add: Amortisation expense	168	5	173
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2024	**1,426**	**402**	**1,828**
Net block (I-II)			
Carrying value as at March 31, 2024	**1,850**	**38**	**1,888**
Carrying value as at March 31, 2023	2,018	30	2,048

For the year 2022-23

Particulars	Mining rights	Other intangible assets	Total
Gross Block			
Opening Balance	**3,276**	**422**	**3,698**
Add: Effect of business combination (Refer note 40)	-	1	1
Add: Additions	-	4	4
Less: Disposals	-	-	-
Balance as at March 31, 2023	**3,276**	**427**	**3,703**
II. Accumulated amortisation			
Opening Balance	**1,090**	**390**	**1,480**
Add: Effect of business combination (Refer note 40) *	-	-	-
Add: Amortisation expense	168	7	175
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2023	**1,258**	**397**	**1,655**
Net block (I-II)			
Carrying value as at March 31, 2023	**2,018**	**30**	**2,048**
Carrying value as at March 31, 2022	2,186	32	2,218

* The amounts which are less than ₹ 0.50 has been rounded off to zero.

Note: The Company has not revalued its intangible assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

4. Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Buildings	35	165
Land	549	558
Total	**584**	**723**

For the year 2023-24

Particulars	Buildings	Land	Total
I. Gross block			
Opening Balance	**437**	**593**	**1,030**
Add: Additions	16	-	16
Less: Deletion	368	-	368
Balance as at March 31, 2024	**85**	**593**	**678**
II. Accumulated depreciation			
Opening Balance	**272**	**35**	**307**
Add: Depreciation expense	146	9	155
Less: Eliminated on disposal of leases	368	-	368
Balance as at March 31, 2024	**50**	**44**	**94**
Net block (I-II)			
Carrying value as at March 31, 2024	**35**	**549**	**584**
Carrying value as at March 31, 2023	165	558	723

For the year 2022-23

Particulars	Buildings	Land	Total
I. Gross block			
Opening Balance	**729**	**-**	**729**
Add: Effect of business combination (Refer note 40)	-	593	593
Add: Additions	17	-	17
Less: Deletion	309	-	309
Balance as at March 31, 2023	**437**	**593**	**1,030**
II. Accumulated depreciation			
Opening Balance	**437**	**-**	**437**
Add: Effect of business combination (Refer note 40)	-	27	27
Add: Depreciation expense	144	8	152
Less: Eliminated on disposal of leases	309	-	309
Balance as at March 31, 2023	**272**	**35**	**307**
Net block (I-II)			
Carrying value as at March 31, 2023	**165**	**558**	**723**
Carrying value as at March 31, 2022	292	-	292

Note: Refer note 35 on operating lease.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

5 Investments in subsidiaries (measured at cost)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Investments in equity instruments (Unquoted)				
Face Value of ₹ 10 each fully paid:				
Sagar Cements (M) Private Limited (65%, (March 31, 2023: 65%) shareholding) (Refer note (i) below)	32,73,773	17,419	32,73,773	17,419
Investments in equity instruments (Quoted)				
Face Value of ₹ 10 each fully paid:				
Andhra Cements Limited (90%, (March 31, 2023: 95%) shareholding) (Refer note (ii), (v) below and note 43)	8,29,54,926	31,246	8,75,63,533	32,223
		48,665		**49,642**
Aggregate amount of unquoted investments		17,419		17,419
Aggregate amount of quoted investments		31,246		32,223
Market value of quoted investments		64,497		(Refer note (vi) below)

Notes:

(i) Includes investment of ₹ 470 (March 31, 2023: ₹ 470) on account of fair valuation of corporate guarantee given by the Company on behalf of Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited), a subsidiary Company.

(ii) Includes investment of ₹ 719 (March 31, 2023: ₹ Nil) on account of fair valuation of corporate guarantee given by the Company on behalf of Andhra Cements Limited, a subsidiary Company.

(iii) The Company has complied with number of layers prescribed under clause 87 of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

(iv) 15,10,972 (as at March 31, 2023: 15,10,972) number of shares held as investments in Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) with carrying amount of ₹ 7,823 (as at March 31, 2023: ₹ 7,823) and 2,18,90,883 (as at March 31, 2023: 2,18,90,883) number of shares held as investments in Andhra Cements Limited with carrying amount of ₹ 8,056 (as at March 31, 2023: ₹ 8,056) have been pledged with the lenders towards borrowings availed by respective subsidiaries.

(v) The Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the initial requirement of Minimum Public Shareholding (MPS) by ACL. Accordingly, shareholding of the Company in ACL reduced from 95% to 90%. The Company registered a short-term capital gain of ₹ 3,189 from the OFS, which was classified as 'Other Income'.

(vi) With effect from March 03, 2023, trading in the scrip of Andhra Cements Limited was kept on hold as the Company has fixed the record date for the purpose of reduction of share capital as per the resolution plan approved vide order passed by the Hon'ble National Company Law Tribunal, Amravati Bench. Post capital reduction, effective from May 10, 2023, the equity shares of Andhra Cements Limited are re-admitted to dealings on the Exchange.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

6 Loans (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Loans to Subsidiary Companies (Refer note 32 and 34)	10,930	6,930
Loans to employees	94	53
Total	**11,024**	**6,983**
Current		
Loans to employees	86	48
Total	**86**	**48**
Total loans	**11,110**	**7,031**

Note: No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

7 Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits	2,765	1,996
Balances held as margin money deposit against borrowings (Refer note (i) below)	9	1,063
Total	**2,774**	**3,059**
Current		
Security deposits	294	226
Advances to employees	76	33
Interest accrued but not due (Refer note (ii) below)	1,679	954
Total	**2,049**	**1,213**
Total other financial assets	**4,823**	**4,272**

Note:

(i) Held as securities or earmarked for issue of bank guarantees/ letter of credit/ margin money.

(ii) Includes ₹ 1,510 (As at March 31, 2023: ₹ 867) interest receivable from related party. Also refer note 34.

8 Other assets (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances		
Unsecured considered good	419	792
Considered doubtful	400	400
Less: Provision for advances	(400)	(400)
	419	**792**
Advances to suppliers and service providers	71	71
Prepaid expenses	240	375
Balances with government authorities	194	148
Total	**924**	**1,386**
Current		
Advances to suppliers and service providers (Refer note below)		
Unsecured considered good	2,678	3,349
Considered doubtful	50	-
Less: Provision for advances	(50)	-
	2,678	**3,349**
Prepaid expenses	810	640
Balances with government authorities	602	2,655
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	1,328	2,228
Considered doubtful	2,659	1,759
Less: Provision for incentives receivable from government	(2,659)	(1,759)
Total	**5,612**	**9,066**
Total other assets	**6,536**	**10,452**

Note: Includes ₹ 20 (As at March 31, 2023: ₹ 5) advances given to related party. Also refer note 34.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

9 Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	950	2,196
Coal	3,989	11,427
Work-in-progress	5,749	1,593
Stores and spares	4,601	4,744
Packing materials	590	722
Finished goods (Refer note 2 & 3 below)	1,505	1,307
Total (A)	**17,384**	**21,989**
Goods-in-transit:		
Raw materials	2	7
Coal	3,275	118
Packing materials	42	58
Total (B)	**3,319**	**183**
Total inventories (A+B)	**20,703**	**22,172**

Note:

1. Refer note 1(b)(xiv) for basis of valuation of inventory and refer note 15A and 15B for details of inventory pledged.”
2. Includes stock-in-trade of ₹ Nil (As at March 31, 2023: ₹ 3).
3. The cost of inventories recognised as an expense includes ₹ 63 (As at March 31, 2023: ₹ 125) in respect of write-downs of inventory to net realisable value

10 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - Secured	3,874	1,552
Trade receivables considered good - Unsecured	12,487	12,515
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,385	1,385
Sub-total	**17,746**	**15,452**
Less: Expected credit loss allowance	(1,385)	(1,385)
Total trade receivables	**16,361**	**14,067**

Note: Includes ₹ 258 (March 31, 2023: ₹ 1,200) receivable from related party (Refer note 34) and refer note 15A and 15B for the details of trade receivables pledged.

No trade or other receivables, other than those disclosed in note 34, are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	12,342	3,623	88	153	70	85	16,361
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	28	690	1,254
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**12,392**	**3,797**	**172**	**381**	**98**	**906**	**17,746**

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	8,184	4,953	647	233	6	44	14,067
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	43	675	1,254
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**8,234**	**5,127**	**731**	**461**	**49**	**850**	**15,452**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	1,385	1,092
Add: Expected credit loss allowance	-	293
Balance at the end of the year	**1,385**	**1,385**

11 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash in hand	3	3
Balances with banks	89	102
Deposits with banks	15,491	13,001
Total Cash and cash equivalents	**15,583**	**13,106**

12 Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid dividend account	38	48
Margin money deposits (Refer note below)	7,116	1,940
Total other bank balances	**7,154**	**1,988**

Note: Margin money deposits with banks are against bank guarantees and cash credit facilities.

13 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2023: Equity Shares of ₹ 2 each) (Refer note (f) below)	1,24,75,00,000	24,950	69,75,00,000	13,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2023: Preference Shares of ₹ 10 each)	4,30,00,000	4,300	4,30,00,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2023: Equity Shares of ₹ 2 each) (Refer note (a) below)	13,07,07,548	2,614	13,07,07,548	2,614

Notes:

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Opening balance	13,07,07,548	2,614	11,75,00,000	2,350
Allotment of equity shares (Refer note 41)	-	-	1,32,07,548	264
Closing balance	**13,07,07,548**	**2,614**	**13,07,07,548**	**2,614**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
AVH Resources India Private Limited	2,56,68,790	19.64%	2,56,68,790	19.64%
PI Opportunities Fund I Scheme II	1,32,07,548	10.10%	1,32,07,548	10.10%
R V Consulting Services Private Limited	1,20,78,125	9.24%	80,11,490	6.13%
Aruna Sammidi	76,19,850	5.83%	68,47,725	5.24%
Rachana Sammidi	66,08,540	5.06%	58,36,415	4.47%
Anand Reddy Sammidi	73,04,745	5.59%	65,32,620	5.00%
Sreekanth Reddy Sammidi	69,69,140	5.33%	61,97,015	4.74%

(d) Details of shares held by the promoters in the Company and change during the year:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	1,20,78,125	9.24%	3.11%	80,11,490	6.13%	-0.69%
Aruna Sammidi	76,19,850	5.83%	0.59%	68,47,725	5.24%	-0.59%
Anand Reddy Sammidi	73,04,745	5.59%	0.59%	65,32,620	5.00%	-0.56%
Sreekanth Reddy Sammidi	69,69,140	5.33%	0.59%	61,97,015	4.74%	-0.53%
Rachana Sammidi	66,08,540	5.06%	0.59%	58,36,415	4.47%	-0.50%
Vanajatha Sammidi	49,53,845	3.79%	-	49,53,845	3.79%	-0.43%
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.29%	-	43,00,000	3.29%	-0.37%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Siddarth Sammidi	41,09,490	3.14%	-	41,09,490	3.14%	-0.36%
Aneesh Reddy Sammidi	41,09,485	3.14%	-	41,09,485	3.14%	-0.36%
Malathi Reddy Wdaru	18,88,500	1.44%	-1.45%	37,77,000	2.89%	-0.32%
Madhavi Nadikattu	14,69,000	1.12%	-0.92%	26,69,000	2.04%	-0.23%
Andhra Pradesh Industrial Development Corporation	15,66,425	1.20%	-	15,66,425	1.20%	-0.13%
Panchavati Polyfibres Limited	1,57,500	0.12%	-	1,57,500	0.12%	-
P V Narsimha Reddy	10,000	0.01%	-	10,000	0.01%	-

(e) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(f) Pursuant to merger of Jajpur Cements Private Limited with the Company, authorised equity share capital of ₹ 11,000 of Transferor Company stand transferred as authorised share capital of the Company (Refer Note 40).

14 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	35	35
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	76,094	73,892
Other items of other comprehensive income	(165)	(72)
Total other equity	**1,67,913**	**1,65,804**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Movement in other equity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Capital reserve	35	35
(b) Securities premium		
(i) Opening balance	88,351	54,327
(ii) Premium on allotment of equity shares (Refer note 41)	-	34,736
(iii) Share issue expenses	-	(712)
	88,351	**88,351**
(c) General reserve	**3,598**	**3,598**
(d) Retained earnings		
(i) Opening balance	73,892	69,188
(ii) Profit for the year	3,117	7,353
(iii) Effect of business combination (Refer note 40)	-	(1,734)
	77,009	**74,807**
Less: Appropriations		
(i) Dividend on equity shares (Refer note 39)	915	915
	76,094	**73,892**
(e) Other items of other comprehensive income		
(i) Opening balance	(72)	(87)
(ii) Other comprehensive income for the year	(93)	14
(iii) Effect of business combination (Refer note 40)	-	1
	(165)	**(72)**
Total	**1,67,913**	**1,65,804**

Nature of reserves:

(a) Capital reserve

This represents subsidies received from the government.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Companies Act, 2013.

(c) General reserve

This represents appropriation of profit by the Company. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

(d) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(e) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

15A Non-current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans (Refer note (i) below)	22,021	29,292
Non-convertible debentures (Refer note (ii) below)	1,154	3,461
Total non current borrowings	**23,175**	**32,753**

*Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Notes (i):

As at March 31, 2024

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	1,804	26 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,083	11 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	8	1 quarterly instalments	9.80%
Axis Bank Limited (Refer note 3 below)	1,247	8 quarterly instalments	9.80%
State Bank of India (Refer note 4 below)	1,198	8 quarterly instalments	10.65%
Axis Bank Limited (Refer note 5 below)	780	22 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	1,500	24 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	1,125	6 quarterly instalments	9.80%
The Federal Bank Limited (Refer note 8 below)	541	24 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	17,700	28 quarterly instalments	10.65%
Vehicle loans from various banks (Refer note 10 below)	886	8 to 34 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(7,851)		
Total	**22,021**		

As at March 31, 2023

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	2,642	38 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,940	14 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	579	4 quarterly instalments	9.30%
Axis Bank Limited (Refer note 3 below)	1,890	12 quarterly instalments	9.30%
State Bank of India (Refer note 4 below)	1,798	12 quarterly instalments	9.40%
Axis Bank Limited (Refer note 5 below)	1,205	34 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	2,250	36 monthly instalments	8.75%
The Federal Bank Limited (Refer note 7 below)	1,875	10 quarterly instalments	9.30%
The Federal Bank Limited (Refer note 8 below)	782	36 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	18,700	32 quarterly instalments	10.15%
Vehicle loans from various banks (Refer note 10 below)	557	20 to 32 monthly instalments	7.16% to 8.30%
Less: Current maturities of non-current borrowings	(6,926)		
Total	**29,292**		

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram and plant and equipment of Waste heat recovery power plant at Mattampally, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.

2. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.

3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.

4. Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

5. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
6. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
8. This term loan is secured by first pari-passu charge on asset to be created through proceeds of the loan and second pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by National credit guarantee trustee Ltd.
9. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, hypothecation of all rights, title and interests of the Company under all plant documents, contracts, insurance policies, permits/ approvals etc related to the plant, to which the Company is party and can be legally assigned and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
10. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.
11. The Company has used the borrowings for the purposes for which it was taken.

Note (ii):

Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 Lakhs each) aggregating ₹ 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 instalments of ₹ 1,154 starting from May 2019 onwards. The Company has paid two instalments during the current year, ten instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the Company both present and future, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.

15B Current borrowings (Secured, amortised at cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
Cash credit facilities (Refer notes below)	14,461	17,114
Current maturities of non-current borrowings (Refer note 15A)	10,159	9,234
Total current borrowings	**24,620**	**26,348**

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.75% p.a. to 9.40% p.a. (2022-23: 7.90% to 9.25% p.a.).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.90% p.a. to 9.50% p.a. (2022-23: @ 7.60% p.a. to 9.00% p.a.).

3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.20% p.a. to 9.75% p.a. (2022-23: 7.20% p.a. to 8.75% p.a.).

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.50% p.a. to 9.10% p.a. (2022-23: 7.90% p.a. to 9.10% p.a.).

5. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Managing Director. The loans are repayable on demand and carries interest @ 8.35% p.a. to 9.40% p.a. (2022-23: 7.60% p.a. to 8.35% p.a.).

6. The Company has used the borrowings for the purposes for which it was taken.

7. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

16 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits received	10,386	8,238
Guarantee obligation	584	188
Loans from others	193	193
Total	**11,163**	**8,619**
Current		
Interest accrued but not due on borrowings	460	441
Unclaimed dividends (Refer note below)	38	48
Payables on purchase of property, plant and equipment	286	886
Guarantee obligation	177	67
Derivative liability	10	-
Total	**971**	**1,442**
Total other financial liabilities	**12,134**	**10,061**

Note:

As at March 31, 2024 (March 31, 2023: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

17 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity (Refer note 33)	893	691
Compensated absences (Refer note 33)	561	503
Total provisions	**1,454**	**1,194**
Non-current		
Gratuity	590	474
Compensated absences	375	357
Total	**965**	**831**
Current		
Gratuity	303	217
Compensated absences	186	146
Total	**489**	**363**

18 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	4,593	161
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	31,899	23,934
Total trade payables	**36,492**	**24,095**

Note: Includes ₹ 735 (March 31, 2023: ₹ 747) payable to related party (Refer note 34).

Trade payables ageing schedule for the year ended March 31, 2024 and March 31, 2023:

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	4,511	82	-	-	-	4,593
(ii) Others	24,165	7,181	76	10	467	31,899
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**28,676**	**7,263**	**76**	**10**	**467**	**36,492**

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	155	6	-	-	-	161
(ii) Others	10,425	13,138	53	14	304	23,934
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**10,580**	**13,144**	**53**	**14**	**304**	**24,095**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

19 Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Liability for land restoration	229	229
Total	**229**	**229**
Current		
Advance from customers	3,413	4,685
Statutory remittances	3,730	2,294
Total	**7,143**	**6,979**
Total other liabilities	**7,372**	**7,208**

20 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from		
- Sale of cement and clinker (Refer note 38)	1,88,482	1,94,613
- Sale of power	267	1,037
Other operating income		
- Income from trademark and staffing charges to subsidiary	681	159
- Sale of scrap	232	250
- Sale of coal (Refer note 34)	966	-
- Insurance claims	45	205
- Others	82	118
Total revenue from operations	**1,90,755**	**1,96,382**

21 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income on financial assets at amortised cost	2,092	20,661
Rent received from employees	20	21
Profit on sale of property, plant and equipments	-	34
Gain on sale of Investments	3,189	1,929
Liabilities no longer required written back	9	13
Net gain on foreign currency transactions and translation	81	-
Total other income	**5,391**	**22,658**

22 Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	2,196	1,849
Add: Purchases	39,992	35,144
Less: Closing stock	950	2,196
Total cost of materials consumed	**41,238**	**34,797**
Details of materials consumed:		
Limestone	7,787	8,399
Laterite	4,146	4,220
Iron-ore sludge	400	588
Gypsum	2,056	2,096
Fly ash	4,591	4,170
Clinker purchased	6,739	1,216
Slag	7,080	4,459
Others	8,497	9,676
Less: Captive consumption	(58)	(27)
Total	**41,238**	**34,797**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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23A Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cement and Others	2,747	2,437
Total Purchase of stock-in-trade	**2,747**	**2,437**

23B Changes in inventories of finished goods and work-in-progress.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year:		
Finished goods	1,304	1,153
Work-in-progress	1,593	3,930
	2,897	**5,083**
Inventories at the end of the year:		
Finished goods	1,505	1,304
Work-in-progress	5,749	1,593
	7,254	**2,897**
Net (increase)/ decrease	**(4,357)**	**2,186**

24 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages, including bonus	7,373	7,066
Contribution to provident and other funds (Refer note 33)	774	696
Staff welfare expenses	748	881
Total employee benefits expense	**8,895**	**8,643**

25 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	5,804	11,201
Less: Borrowing costs on qualifying assets capitalised	(108)	(222)
Interest on deposits from dealers	337	256
Interest on lease liability (Refer note 35)	9	20
Other borrowing cost	1,467	4,717
Total finance cost	**7,509**	**15,972**

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 2)	11,323	11,028
Depreciation on right of use assets (Refer note 4 and 35)	155	152
Amortisation of intangible assets (Refer note 3)	173	175
Total depreciation and amortisation	**11,651**	**11,355**

27 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Packing materials consumed	6,317	7,248
Stores and spares consumed	3,765	3,834
Repairs and maintenance		
- Plant & equipment	3,167	2,479
- Buildings	54	13
- Others	1,110	1,137
Selling expenses	3,542	3,020
Expected credit loss allowance	-	293

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for incentives receivable from government	900	900
Provision for impairment on capital advances	-	400
Provision for impairment on supplier advances	50	-
Rent	222	205
Insurance	349	322
Rates and taxes	264	267
Expenditure on corporate social responsibility (Refer note 37)	290	280
Payment to auditors (Refer note (i) below)	97	87
Travelling and conveyance	655	593
Security services	380	380
Donations and contributions (Refer note 49)	812	465
Legal and other professional charges	717	1,461
Administrative expenses	360	421
Printing and stationery	105	41
Communication	94	79
Net Loss on foreign currency transactions and translation	-	233
Net loss on fair value change in financial instruments	10	-
Directors sitting fees	30	43
Loss on sale of plant and equipments	65	-
Miscellaneous expenses	39	34
Total other expenses	**23,394**	**24,235**

Note:

(i) Payment to auditors (net of taxes) comprises:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
For audit	59	49
For limited reviews	12	12
For other services	23	23
Reimbursement of expenses	3	3
Total	**97**	**87**

28 Income tax expense

(a) Income tax recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
In respect of the current year	890	2,330
	890	**2,330**
Deferred tax		
In respect of current year origination and reversal of temporary differences	494	497
	494	**497**
Total tax expense	**1,384**	**2,827**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	4,501	10,180
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	**1,573**	**3,557**
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(649)	(1,942)
Effect on expenses disallowed under Income Tax Act, 1961	454	1,463
Effect on change in depreciation while filing Income tax return	-	-
Effect on change in tax rate	-	(204)
Others	6	(47)
Total	**(189)**	**(730)**
At the effective income tax rate	1,384	2,827
Total tax expense	**1,384**	**2,827**

(c) Movement in deferred tax assets and liabilities for the year 2023-24:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect of Business Combination	MAT credit utilised	Closing balance
Property, plant and equipment and intangible assets	20,978	642	-	-	-	21,620
Provision for employee benefits	(346)	(41)	(50)	-	-	(437)
Expected credit loss allowance	(484)	-	-	-	-	(484)
MAT credit entitlement	(8,375)	(333)	-	-	-	(8,708)
Others	(782)	(321)	-	-	-	(1,103)
Carry forward business unabsorbed depreciation and business losses	(636)	547	-	-	-	(89)
Total Deferred tax liability (Net)	**10,355**	**494**	**(50)**	**-**	**-**	**10,799**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(d) Movement in deferred tax assets and liabilities for the year 2022-23

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect of Business Combination	MAT credit utilised	Closing balance
Property, plant and equipment and intangible assets	19,782	331	-	865	-	20,978
Provision for employee benefits	(289)	(64)	7	-	-	(346)
Expected credit loss allowance	(382)	(102)	-	-	-	(484)
MAT credit entitlement	(9,002)	-	-	-	627	(8,375)
Others	(340)	(419)	-	(23)	-	(782)
Carry forward business unabsorbed depreciation and business losses	-	751	-	(1,387)	-	(636)
Total Deferred tax liability (Net)	**9,769**	**497**	**7**	**(545)**	**627**	**10,355**

(d) Income tax assets and liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (Net of provision of ₹ 6,554 (2022-23: ₹ 4,849)	1,551	510
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 814 (2022-23: ₹ 1,191)	(1,018)	-
Net Income tax liabilities	**533**	**510**

29. Contingent liabilities, corporate guarantees, capital and other commitments

a) Contingent Liabilities:

Based on legal opinion/advice obtained, no financial implication to the Company with respect to the following cases is perceived as on the Balance Sheet date:

i) Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Direct tax matters	3,051	3,076
Indirect tax matters	1,622	1,251
Others	428	428

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ii) The Ministry of Finance, Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts, the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,601 (As at March 31, 2023: ₹ 1,612) from July 2010 to March 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,601 was reversed, but under protest. The balance of ₹ 11 pertains to the penalty imposed by the department and disclosed in contingent liabilities under indirect taxes as at March 31, 2023. During March 31, 2024, the penalty of ₹ 11 has been disposed by the central excise department. As at March 31, 2024, the Company intends to file an appeal before High Court of Telangana for refund of CENVAT credit.

iii) The Hon'ble Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2024	As at March 31, 2023
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited)	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	37,000
Andhra Cements Limited	Term loan and working capital facilities from State Bank of India	Axis Trustee Services Limited	66,500	60,000*
Total			**1,03,500**	**97,000**

*The Company has not yet executed the corporate guarantee in favour of State Bank of India as on March 31, 2023.

c) Capital and other commitments:

Particulars	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	2,843	4,281

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	4,593	161
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-*	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23.	-	-

*The amounts which are less than ₹ 0.50 has been rounded off to zero.

31. Financial Instruments:

The material accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xvii) 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 maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 15 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, 2024	As at March 31, 2023 (Refer note 40)
Debt (Refer Note below)	47,795	59,101
Cash and cash equivalents and Other bank balances	22,737	15,094
Net debt	25,058	44,007
Total equity	1,70,527	1,68,418
Net debt to equity ratio	0.15	0.26

Note: Debt comprises of current and non-current borrowings as disclosed in Notes 15.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	-	-
Measured at amortised cost		
(i) Investments	48,665	49,642
(ii) Loans	11,110	7,031
(iii) Trade receivables	16,361	14,067
(iv) Cash and cash equivalents	15,583	13,106
(v) Other bank balances	7,154	1,988
(vi) Other financial assets	4,823	4,272
Total Financial assets	**1,03,696**	**90,106**

Particulars	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	47,795	59,101
(ii) Trade payables	36,492	24,095
(iii) Lease liabilities	107	247
(iv) Other financial liabilities	12,134	10,061
Total Financial liabilities	**96,528**	**93,504**

C. Financial risk management objectives:

The Company's corporate finance function monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks through continuous monitoring on day to day basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the Company's management which monitors risks and policies implemented to mitigate risk exposures.

D. Market risk:

The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company seeks to minimise the effect of this risk through continuous monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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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, 2024 would decrease/increase by ₹ 239 (for the year ended March 31, 2023 (Refer note 40): decrease/increase by ₹ 296). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are outstanding derivative instruments at the end of the current financial year.

E. Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company on behalf of its subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (Refer Note 29 (b)). The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F. Liquidity risk management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest-bearing short-term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

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All amounts are in ₹ Lakhs unless otherwise stated

Financing facilities:

Particulars	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Secured bills acceptance facility, reviewed annually		
- amount used	23,309	19,547
- amount unused	491	4,253
Total	**23,800**	**23,800**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	14,461	17,114
- amount unused	7,739	5,086
Total	**22,200**	**22,200**
Secured non-convertible debentures		
- amount used	3,462	5,769
- amount unused	-	-
Total	**3,462**	**5,769**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	29,872	36,218
- amount unused	-	-
Total	**29,872**	**36,218**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	36,492	-	-
Lease liabilities	28	17	62
Other financial liabilities	971	782	10,381
Borrowings (including current maturities of non-current borrowings)	24,620	8,295	14,880

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 (Refer note 40) are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	24,095	-	-
Lease liabilities	157	16	74
Other financial liabilities	1,442	589	8,030
Borrowings (including current maturities of non-current borrowings)	26,348	9,953	22,800

32. Disclosure as per Regulation 34(3) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015

The details of loans and advances to subsidiary are given below:

Particulars	Balance as at		Maximum amount outstanding during the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sagar Cements (M) Private Limited (For its requirement of setting up the Cement manufacturing unit, carrying interest @ 10% p.a. (2022-23: 8% p.a.)	4,930	4,930	4,930	4,930
Andhra Cements Limited (For its requirement of implementation of resolution plan, carrying interest @ 10% p.a.) (2022-23: 10% p.a.)	6,000	2,000	6,000	2,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

33. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 392 (2022–23: ₹ 346).

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administered by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 51 (2022–23: ₹ 51).

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 recognised during the year aggregated ₹ 3 (2022–23: ₹ 4).

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as per actuarial valuation as at March 31, 2024 and March 31, 2023:

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.22%	7.49%
Expected rate of return on plan asset	7.67%	7.01% to 7.36%
Expected average remaining working lives of employees	16.37 years	16.22 years
Rate of escalation in salary	10.76%	9.00%
Attrition rate	13.32%	9.00%

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All amounts are in ₹ Lakhs unless otherwise stated

b) Components of defined benefit costs recognised in profit and loss and other comprehensive income:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	162	147
Interest expense	105	98
Other adjustments	11	(7)
Expected return on plan assets	(69)	(67)
Defined benefit cost included in profit and loss	**209**	**171**
Re-measurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial, demographic and experience adjustments	143	(44)
Return on plan assets (excluding interest income)	-	23
Components of defined benefit costs recognised in OCI	**143**	**(21)**

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Present value of funded defined benefit obligations	1,882	1,657
Fair value of plan assets	(989)	(966)
Net liability arising from defined benefit obligation	893	691

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Defined benefit obligation at the beginning of the year	1,657	1,534
Effect of business combination (Refer note 40)	-	4
Current service cost	162	147
Interest cost	105	98
Remeasurements – Due to financial and experience adjustments	143	(44)
Benefits paid out of plan assets and by employer	(185)	(82)
Defined benefit obligation at the year end	**1,882**	**1,657**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Within 1 year	297	216
1 – 2 years	229	224
2 – 3 years	248	157
3 – 4 years	206	187
4 – 5 years	232	151
5 – 10 years	695	685

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Opening fair value of the plan assets	966	957
Effect of business combination (Refer note 40)	-	-
Expected return on plan assets	69	67
Contributions from the employer	115	40
Benefits paid out of plan assets	(156)	(82)
Re-measurement – Return on Assets (excluding interest income)	-	(23)
Other adjustments	(5)	7
Fair value of plan asset at the year end	**989**	**966**

g) Sensitivity Analysis:

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

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2024		For the year ended March 31, 2023 (Refer note 40)	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,624	1,787	1,415	1,580
Effect of 1% change in assumed salary rate	1,779	1,626	1,578	1,412
Effect of 1% change in assumed attrition rate	1,690	1,713	1,486	1,499

The Company is expected to contribute ₹ 713 Lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Discount Rate	7.22%	7.49%
Salary escalation rate	10.76%	9.00%
Attrition rate	13.32%	9.00%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The Company has made provision for compensated absences based on the actuarial valuation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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34. Related Party Disclosures:

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

Name	Relationship
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary Company
Andhra Cements Limited	Subsidiary Company (w.e.f. March 18, 2023)
Key managerial personnel (KMP):	
K. V. Vishnu Raju	Chairman of the Board of Directors
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director
Ravichandran Rajagopal	Independent Director
Rachana Sammidi	Director
John Eric Fernand Pascal Cesar Bertrand	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS) (upto November 10, 2023)
J. Raja Reddy	Company Secretary (CS) (w.e.f. November 11, 2023)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
S. Sahithi	Daughter of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AVH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director

Summary of the transactions with the above parties are as follows:

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Purchase of packing materials	Panchavati Polyfibres Limited	6,316	8,064
Purchase of property, plant and equipment	RV Consulting Services Private Limited	-	1,487
	Andhra Cements Limited	92	-
	Total	**92**	**1,487**
Sale of property, plant and equipment	RV Consulting Services Private Limited	-	25
Purchase of spares	Andhra Cements Limited	9	-
	Sagar Cements (M) Private Limited	24	-
	Total	**33**	**-**
Rent expenses paid	Dr. S. Anand Reddy	43	41
	S. Sreekanth Reddy	43	41
	S. Vanajatha	43	41
	Total	**129**	**123**
Legal and professional expenses	Sagarsoft (India) Limited	57	57
Income from services	Sagar Cements (M) Private Limited	224	159
	Andhra Cements Limited	456	-
	Total	**680**	**159**
Sale of clinker	Andhra Cements Limited	579	-
Sale of Coal	Andhra Cements Limited	966	-
Sale of spares	Andhra Cements Limited	11	-
Purchase of clinker	Andhra Cements Limited	4,001	-
Purchase of coal	Andhra Cements Limited	4	-
Purchase of slag	Andhra Cements Limited	1	-

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Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Purchase of gypsum	Andhra Cements Limited	2	-
Reimbursement of expenses received	Sagarsoft (India) Limited	9	8
	RV Consulting Services Private Limited	13	12
	Sagar Power Limited	3	4
	Panchavati Polyfibres Limited	10	10
	Sagar Cements (M) Private Limited	64	64
	Andhra Cements Limited	10	19
	Total	**109**	**117**
Interest income on corporate guarantee	Andhra Cements Limited	146	-
	Sagar Cements (M) Private Limited	70	77
	Total	**216**	**77**
Financial assets - Loan	Andhra Cements Limited	4,000	2,000
Corporate guarantee given	Andhra Cements Limited	6,500	60,000
Interest income on loan	Sagar Cements (M) Private Limited	494	394
	Andhra Cements Limited	221	16
	Total	**715**	**410**
Payment of salary	S. Siddarth Reddy	14	7
	S. Sahithi	24	43
	Total	**38**	**50**

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Dividend paid	S. Vanajatha	35	35
	RV Consulting Services Private Limited	85	56
	S. Siddarth	29	29
	Panchavati Polyfibres Limited	1	1
	AVH Resources India Private Limited	180	180
	Dr. S. Anand Reddy	46	46
	S. Sreekanth Reddy	43	43
	Rachana Sammidi	41	41
	Total	**460**	**431**

Compensation to key managerial personnel is as follows:

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Short-term benefits	MD, JMD, CS and CFO	830	1,260
Sitting fee	Chairman and Directors	30	43

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Financial assets - Loan	Sagar Cements (M) Private Limited	4,930	4,930
	Andhra Cements Limited	6,000	2,000
	Total	**10,930**	**6,930**

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Nature of the balance	Party Name	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Other financial assets - Advances	Sagar Power Limited	1	-
	RV Consulting Services Private Limited	18	5
	Sagarsoft (India) Limited	1	-
	Total	**20**	**5**
Interest accrued but not due	Sagar Cements (M) Private Limited	1,296	852
	Andhra Cements Limited	214	15
	Total	**1,510**	**867**
Rent Payable	Dr. S. Anand Reddy	-	4
	S. Sreekanth Reddy	-	4
	S. Vanajatha	-	4
	Total	**-**	**12**
Trade payables	Panchavati Polyfibres Limited	642	742
	Sagarsoft (India) Limited	-	5
	Total	**642**	**747**
Trade Receivable	Andhra Cements Limited	102	-
	Sagar Cements (M) Private Limited	156	1,200
	Total	**258**	**1,200**
Corporate guarantee (Refer Note 29)	Sagar Cements (M) Private Limited	37,000	37,000
	Andhra Cements Limited	66,500	60,000*
	Total	**1,03,500**	**97,000**

*The Company has not yet executed the corporate guarantee in favour of State Bank of India as on March 31, 2023.

35. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The Company's lease asset classes primarily consist of leases for land and buildings. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

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All amounts are in ₹ Lakhs unless otherwise stated

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Opening Balance	723	292
Effect of business combination (Refer note 40)	-	566
Additions	16	17
Depreciation	(155)	(152)
Closing Balance	**584**	**723**

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Opening Balance	247	320
Effect of business combination (Refer note 40)	-	50
Additions	16	17
Finance cost accrued during the year	9	20
Payment of lease liabilities	(165)	(160)
Closing Balance	**107**	**247**

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Non-current lease liabilities	79	90
Current lease liabilities	28	157
Total	**107**	**247**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on discounted basis

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Within one year	28	157
After one year but not more than five years	48	52
More than five years	31	38

Amount recognised in statement of profit and loss account as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Amortisation of right of use assets	155	152
Interest on lease liability	9	20
Expense relating to short term lease	222	205

36. Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Profit after tax (₹ in Lakhs)	3,117	7,353
Weighted average number of equity shares outstanding (Refer Note 13(a))	13,07,07,548	12,94,04,886
Earnings per share:		
Basic and Diluted (in ₹)	2.38	5.68

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37. Corporate Social Responsibility (CSR) activities

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company and the amount needs to be spent by the Company for the year is 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the company during the year	273	301
Amount of expenditure incurred	290	306
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Revenue as per Contract price	2,17,009	2,25,261
Less: Discounts and incentives	(28,260)	(29,611)
Revenue as per statement of profit and loss	**1,88,749**	**1,95,650**

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

Disaggregation of Revenue:

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Goods transferred at a point of time	1,88,749	1,95,650
Goods transferred over time	-	-

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39. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividend in Indian rupees. Companies are required to pay/ distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Final dividend for FY 2021-22	-	0.70
Final dividend for FY 2022-23	0.70	-

During the year ended March 31, 2024, on account of the final dividend for the financial year 2022-23, the Company has incurred a net cash outflow of ₹ 915.

The Board of Directors at their meeting held on May 14, 2024, recommended a final dividend of ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Company. This payment is subject to approval of the shareholders in the upcoming Annual General Meeting and if approved would result in the net cash outflow of approximately ₹ 915.

40. On July 06, 2023, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Jajpur Cements Private Limited (JCPL) (Transferor Company), a wholly owned subsidiary, with the Company (Transferee Company) with an appointed date of April 01, 2022. The scheme as approved by various regulatory authorities was sanctioned by Hyderabad bench of National Company Law Tribunal (NCLT) on September 14, 2023. The transaction being a common control business combination, merger accounting has been done under the Pooling of Interest Method in accordance with Ind AS 103 - Business combination. Accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and prior period amounts have been restated as if the business combination had occurred from the beginning of the preceding period.

Details of the summarised values of assets and liabilities of JCPL as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

Particulars	Transferor Company	Elimination (Refer Note 1 below)	Total
Assets			
Non-current assets			
(a) Property, plant and equipment	27,582	-	27,582
(b) Capital work-in-progress	-	-	-
(c) Intangible assets	1	-	1
(d) Goodwill	-	63	63
(e) Right of use assets	566	-	566
(f) Investments	31,468		31,468
(g) Other Non-current financial assets	661	(158)	503
(h) Income tax assets (net)	4	-	4
(i) Deferred tax assets	545	-	545
(j) Other non-current assets	9,573	-	9,573
Total Non-current assets	**70,400**	**(95)**	**70,305**
Current assets			
(a) Inventories	1,106	-	1,106
(b) Trade receivables	259	(32)	227
(c) Cash and cash equivalents	2	-	2
(d) Bank balances other than cash and cash equivalents	10	-	10
(e) Other financial assets	1	-	1
(f) Other current assets	9,013	(1,133)	7,880
Total Non-current assets	**10,391**	**(1,165)**	**9,226**
Total Assets	**80,791**	**(1,260)**	**79,531**

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Particulars	Transferor Company	Elimination (Refer Note 1 below)	Total
Equity and Liabilities			
Equity			
Equity share capital	10,768	(10,768)	-
Other equity	(1,512)	(221)	(1,733)
Total equity	**9,256**	**(10,989)**	**(1,733)**
Liabilities			
Non-current liabilities			
(a) Borrowings	18,753	-	18,753
(b) Lease liabilities	46	-	46
(c) Other financial liabilities	46,632	(46,483)	149
(d) Provisions	7	-	7
Total Non-current liabilities	**65,438**	**(46,483)**	**18,955**
Current liabilities			
(a) Borrowings	4,050	-	4,050
(b) Trade payables	377	(31)	346
(c) Lease liabilities	4	-	4
(d) Other financial liabilities	1,449	(1,338)	111
(e) Provisions	3	-	3
(f) Other current liabilities	214	-	214
Total Current liabilities	**6,097**	**(1,369)**	**4,728**
Total	**80,791**	**(58,841)**	**21,950**

Details of impact on net profit and taxes is summarised below:

Particulars	For the year ended March 31, 2023
Net Profit for the year	
As per financial statements of FY 2022-23	3,922
Add: Net profit of JCPL	3,320
Less: Adjustment due to merger	111
Net Profit for the year post merger	**7,353**

Particulars	For the year ended March 31, 2023
Total Tax for the year	
As per financial statements of FY 2022-23	2,426
Add: Tax charge of JCPL	512
Less: Adjustment due to merger	(111)
Tax charge on profits for the year post merger	**2,827**

Details of impact on statement of cash flows is summarised below:

Particulars	For the year ended March 31, 2023
Net cash generated from operating activities	
As per financial statements of FY 2022-23	11,642
Add: Net cash generated from operating activities of JCPL	736
Less: Adjustment due to merger	(1,058)
Net cash generated from operating activities post-merger	**13,436**
Net cash generated from/ (used in) investing activities	
As per financial statements of FY 2022-23	14,548
Add: Net cash used in investing activities of JCPL	58,828
Less: Adjustment due to merger	54,510
Net cash used in investing activities post merger	**18,866**
Net cash generated from financing activities	
As per financial statements of FY 2022-23	(28,135)
Add: Net cash used in financing activities of JCPL	(58,562)
Add: Adjustment due to merger	53,452
Net cash used in financing activities post merger	**(33,245)**
Net increase in cash and cash equivalent	
As per financial statements of FY 2022-23	(1,945)
Add: Net increase in cash and cash equivalent of JCPL	1,002
Less: Adjustment due to merger	-
Net increase in cash and cash equivalent post merger	**(943)**

Note:

1. Represents elimination between Transferor Company and Transferee Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

41. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the Company increased from ₹ 2,350 to ₹ 2,614, divided into 13,07,07,548 equity shares of ₹ 2/- each.

42. Capital Work-in-Progress:

(a) Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	650	658	49	83	1,440

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5,176	1,903	81	57	7,217

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

(b) Capitalisation of expenditure:

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress (CWIP) in the course of its construction.

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Expenditure during construction for projects		
Finance costs	108	222
Total expenditure during construction for projects	**108**	**222**
Less: Sale of products / Other income	-	-
Add: Balance at the beginning of the year	**284**	**62**
Less: Capitalised during the year	(392)	-
Closing balance included in CWIP	**-**	**284**

Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

43. Investment in subsidiary:

The National Company Law Tribunal, Amaravati Bench, approved the terms of the Resolution Plan submitted by the Company to acquire Andhra Cements Limited ("ACL") on February 16, 2023 pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016 (the "Resolution Plan"), consequent to which the terms of the Resolution Plan are now binding on the Company.

ACL is mainly engaged in the manufacturing of cement and has two manufacturing units located at Dachepalli, Andhra Pradesh and Visakhapatnam, Andhra Pradesh.

Post completion of the resolution process under the supervision of the Monitoring Committee (MC) which was constituted as per the mandate given in NCLT order, the Company obtained control of Andhra Cements Limited with effect from March 18, 2023, post dissolution of MC.

In accordance with the Resolution Plan, the Company had subscribed to 95% of the reconstituted paid-up share capital of ACL for an aggregate amount of ₹ 32,223 and remaining 5% of the reconstituted paid-up share capital of ACL continue to be held by the existing public shareholders on March 31, 2023.

Subsequently, the Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the initial requirement of Minimum Public Shareholding (MPS) by ACL during the year ended March 31, 2024. Accordingly, shareholding of the Company in ACL reduced from 95% to 90%. The Company registered a short-term capital gain of ₹ 3,189 Lakhs from the OFS, which was classified as 'Other Income'.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

44. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2024	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2024*	Balance outstanding as at March 31, 2023*
Marble Estate India Limited			-	-	(0.13)	(0.13)
Keller Ground Engineering India Private Limited	Customer	Sale of cement	-	-	(2.00)	(2.00)
Target Fabrication & Constructions Private Limited			-	3.92	(0.10)	(0.10)

*Negative amount indicates payable.

45. Key financial ratios:

Ratio	Numerator	Denominator!	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)	% of Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	1.46	1.87	(22%)	-
Debt-Equity Ratio	Debt[(1)]	Net Worth[(2)]	0.28	0.35	(20%)	-
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment[(3)]	1.41	0.47	200%	1
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.02	0.05	(60%)	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory[(4)]	8.80	9.63	(9%)	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable[(5)]	11.37	13.42	(15%)	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables[(6)]	4.92	7.90	(38%)	1
Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	(58.75)	83.22	(171%)	2
Net profit ratio	Profit after tax	Sales of Products and Services	1.65%	3.76%	(56%)	1
Return on Capital employed	Earnings before interest and taxes	Average Capital Employed[(7)]	0.05	0.11	(52%)	1
Return on Investments	Income generated from investments	Total investments	Nil	Nil	-	-

[(1)]Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities

[(2)]Net Worth = Equity share capital + Other equity

[(3)]Excluding refinanced debt for all the loan funds during the period

[(4)]Average inventory = (Opening + Closing balance) / 2

[(5)] Average trade receivables = (Opening + Closing balance) / 2

[(6)]Average trade payables = (Opening + Closing balance) / 2

[(7)]Capital Employed = Tangible net worth + Total debt + Deferred tax liability

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

1. During the Financial Year ended March 31, 2024, there had been a decline in the power and fuel expenses when compared to the previous financial year, this impacted the operating margins, resulting into variations in ratios as reported above.
2. During the Financial Year ended March 31, 2024, there had been an increase in the trade payables when compared to the previous financial year, resulting into variations in the ratio as reported above.

46. The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segment applicable to the Company.

47. As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company is required to use only such accounting software for maintaining its books of accounts that have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software.

In respect of the accounting software used by the Company, audit trail was not enabled at certain master tables at application level and database level to log any direct data changes. In respect of such application and database, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective. The Company is in the process of system upgradation to meet the audit trail requirements for the relevant masters at application level and database.

48. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49. Political contributions amounting to ₹ 250 (March 31, 2023: ₹ 5), which includes ₹ 250 (March 31, 2023: ₹ Nil) contributed through electoral bonds made in accordance with Section 182 of the Companies Act, 2013. The Company has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Company prior to the Hon'ble Supreme Court judgement pronounced on February 15, 2024.

50. Other statutory information

(i) The Company does not have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

(v) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

51. These financial statements were approved by the Company's Board of Directors on May 14, 2024.

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of **Sagar Cements Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sagar Cements Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue from Operations – Sales made to trade customers/dealers:** **(Refer Note 19 to the consolidated financial statements)** Revenue from sale made to trade customers/dealers is recorded at the time of dispatch based on sales order raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/dealers are obtained on dispatch of goods.	Principle Audit Procedures Performed: • Evaluated the appropriateness of the Group's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). • Obtained an understanding of the management's process and evaluated the design, implementation and operating effectiveness of the Group's key internal financial control over the revenue recognition process. We carried out combination of procedures involving inquiry and inspection of evidence in respect of operating effectiveness of these controls. • We understood the process and controls around sale order creation in the IT system of the Parent Company and tested the general IT controls and manual controls over the Group's system which record the sales order in the system.

INDEPENDENT AUDITOR'S REPORT

Sr. No.	Key Audit Matter	Auditor's Response
	We have identified recognition of revenue as a Key Audit Matter as the volume of such sales orders which are in the form of oral/email requests received from the sales officers, basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgement on dispatch.	• Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. • Performed reconciliation of sales recorded with statutory records of the Group. • Compared the sales made to trade customers/dealers with historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries are traced from their audited financial statements.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

INDEPENDENT AUDITOR'S REPORT

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these

INDEPENDENT AUDITOR'S REPORT

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

b) In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 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 with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 52(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities

INDEPENDENT AUDITOR'S REPORT

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 52(v) to consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with Section 123 of the Act, as applicable.

As stated in note 41 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

Based on our examination which included test checks, the Parent and its subsidiary companies incorporated in India have used an accounting software for maintaining their respective books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail was not enabled at database level and for certain master tables at the application level for accounting software to log any direct data changes. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and for the respective companies included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFG7743)

Place: Hyderabad
Date: May 14, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Parent as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of **SAGAR CEMENTS LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 ("ICAI)". 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 the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India, 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 internal financial controls with reference to consolidated financial statement of the Parent's and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 control with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 24213649BKCJFG7743)

Place: Hyderabad
Date: May 14, 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023 *
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	3,11,258	3,02,567
(b) Capital work-in-progress	45	1,470	9,918
(c) Goodwill		4,162	4,162
(d) Intangible assets			
(i) Mining rights	3	8,503	8,874
(ii) Other Intangible assets	3	63	32
(e) Right of use assets	4	1,042	1,180
(f) Financial assets			
(i) Loans	5	94	53
(ii) Other financial assets	6	4,609	3,875
(g) Income tax assets (net)	28	1,551	435
(h) Deferred tax assets (net)	28	14,046	9,457
(i) Other non-current assets	7	2,611	3,610
Total Non-current assets		**3,49,409**	**3,44,163**
Current assets			
(a) Inventories	8	30,754	27,094
(b) Financial assets			
(i) Trade receivables	9	20,772	13,321
(ii) Cash and cash equivalents	10	16,718	17,491
(iii) Bank balances other than cash and cash equivalents	11	9,494	3,557
(iv) Loans	5	86	48
(v) Other financial assets	6	853	526
(c) Current tax assets (net)	28	56	80
(d) Other current assets	7	7,342	11,742
Total Current assets		**86,075**	**73,859**
Asset held for sale	2	137	-
TOTAL ASSETS		**4,35,621**	**4,18,022**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	2,614	2,614
(b) Other equity	13A	1,91,508	1,96,848
Equity attributable to equity shareholders of the Parent		**1,94,122**	**1,99,462**
Non-controlling interests	13B	7,847	7,017
Total Equity		**2,01,969**	**2,06,479**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14A	1,08,907	1,15,195
(ia) Lease liabilities	35	164	174
(ii) Other financial liabilities	15	11,701	8,992
(b) Provisions	16	1,186	1,029
(c) Deferred tax liabilities (net)	28	10,799	10,355
(d) Other non-current liabilities	18	635	249
Total Non-current liabilities		**1,33,392**	**1,35,994**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14B	34,997	32,017
(ia) Lease liabilities	35	56	180
(ii) Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises		12,076	431
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		39,749	30,449
(iii) Other financial liabilities	15	2,093	4,190
(b) Provisions	16	547	442
(c) Income tax liabilities (net)	28	1,018	-
(d) Other current liabilities	18	9,724	7,840
Total Current liabilities		**1,00,260**	**75,549**
Total Liabilities		**2,33,652**	**2,11,543**
TOTAL EQUITY AND LIABILITIES		**4,35,621**	**4,18,022**
*Refer Note 43			
The accompanying notes are an integral part of these financial statements	1		

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

For and on behalf of the Board of Directors of
Sagar Cements Limited

C Manish Muralidhar
Partner
Membership No: 213649

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

Place: Hyderabad
Date: May 14, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023 *
I	Revenue from operations	19	2,50,461	2,22,954
II	Other income	20	5,412	22,270
III	**Total Income (I + II)**		**2,55,873**	**2,45,224**
IV	**Expenses**			
	(a) Cost of materials consumed	21	46,071	38,106
	(b) Purchase of stock-in-trade	22	1,781	2,437
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(6,694)	1,674
	(d) Employee benefits expense	24	11,730	9,934
	(e) Finance costs	25	18,483	20,164
	(f) Depreciation and amortisation expense	26	21,411	15,577
	(g) Power and fuel expense		95,217	89,353
	(h) Freight and forwarding expense		47,206	38,887
	(i) Other expenses	27	30,559	27,245
	Total Expenses		**2,65,764**	**2,43,377**
V	**(Loss)/ profit before exceptional items and tax (I - IV)**		(9,891)	1,847
	Exceptional Items	51	(1,479)	-
VI	**(Loss)/ profit before tax (IV - V)**		(8,412)	1,847
VII	**Tax expense**			
	(a) Current tax	28	890	2,330
	(b) Deferred tax	28	(4,097)	(1,444)
	Total Tax expense		**(3,207)**	**886**
VIII	**(Loss)/ profit after tax (VI - VII)**		(5,205)	961
IX	**Other comprehensive (loss)/ income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain on defined benefits plan	32	(134)	22
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28	48	(7)
	Other comprehensive (loss)/ income for the year, net of tax		(86)	15
X	**Total comprehensive (loss)/ income for the year (VIII + IX)**		**(5,291)**	**976**
	(Loss)/ profit for the year attributable to;			
	Equity shareholders of the Parent		(4,336)	3,015
	Non controlling interest		(869)	(2,054)
			(5,205)	**961**
	Total comprehensive (loss)/ income for the year attributable to ;			
	Equity shareholders of the Parent		(4,425)	3,030
	Non controlling interest		(866)	(2,054)
			(5,291)	**976**
XI	**Earnings per equity share (Face value of ₹ 2 each fully paid (March 31, 2023: ₹ 2 each fully paid))**			
	Basic and Diluted	36	(3.98)	0.74
	*Refer Note 43			
	The accompanying notes are an integral part of these financial statements	1		

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance as at March 31, 2022	2,350
Changes in equity share capital during the year (Refer note 44)	264
Balance as at March 31, 2023	**2,614**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**2,614**

B. Other equity

Particulars	Attributable to equity shareholders of the Parent						Non-controlling interests	Total other equity
	Reserves and surplus				Other items of other comprehensive income	Total other equity attributable to equity shareholders of the Parent		
	Capital reserve	Securities premium	General reserve	Retained earnings				
Balance as at March 31, 2022	**35**	**54,327**	**3,598**	**65,316**	**(83)**	**1,23,193**	**5,401**	**1,28,594**
Profit for the year	-	-	-	3,015	-	3,015	(2,054)	961
Dividend on equity shares (Refer note 41)	-	-	-	(915)	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 7)	-	-	-	-	15	15	-	15
Effect of business combination (Refer note 42)	37,516	-	-	-	-	37,516	3,670	41,186
Premium on allotment of equity shares (Refer note 44)	-	34,736	-	-	-	34,736	-	34,736
Expenses on issue of shares	-	(712)	-	-	-	(712)	-	(712)
Balance as at March 31, 2023	**37,551**	**88,351**	**3,598**	**67,416**	**(68)**	**1,96,848**	**7,017**	**2,03,865**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Attributable to equity shareholders of the Parent						Non-controlling interests	Total other equity
	Reserves and surplus				Other items of other comprehensive income	Total other equity attributable to equity shareholders of the Parent		
	Capital reserve	Securities premium	General reserve	Retained earnings				
Loss for the year	-	-	-	(4,336)	-	(4,336)	(869)	(5,205)
Dividend on equity shares (Refer note 41)	-	-	-	(915)	-	(915)	-	(915)
Other comprehensive loss for the year (net of tax ₹ 48)	-	-	-	-	(89)	(89)	3	(86)
Minority interest on account of offer for sale	-	-	-	-	-	-	1,696	1,696
Balance as at March 31, 2024	**37,551**	**88,351**	**3,598**	**62,165**	**(157)**	**1,91,508**	**7,847**	**1,99,355**

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm Registration No: 008072S

C Manish Muralidhar

Partner

Membership No: 213649

Place: Hyderabad

Date: May 14, 2024

For and on behalf of the Board of Directors of

Sagar Cements Limited

Dr. S. Anand Reddy

Managing Director

DIN: 00123870

S. Sreekanth Reddy

Joint Managing Director

DIN: 00123889

J. Raja Reddy

Company Secretary

M. No. A31113

K. Prasad

Chief Financial Officer

Place: Hyderabad

Date: May 14, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023*	
A Cash flow from operating activities				
(Loss)/ profit before tax for the year		(8,412)		1,847
Adjustments for:				
Depreciation and amortisation expense	21,411		15,577	
Finance costs	18,483		20,164	
Interest income	(1,361)		(20,272)	
Liabilities no longer required written back	(10)		(13)	
Exceptional income (Refer note 51)	(1,479)		-	
Expected credit loss allowance on trade receivables	-		293	
Provision for incentives receivable from government	900		900	
Allowance for credit losses on capital advances	-		400	
Allowance for credit losses on supplier advances	50		-	
Unrealised gain on foreign currency transactions and translation	(78)		-	
Net loss on fair value change in financial instruments	10		-	
Profit on sale of property, plant and equipment	(686)		(35)	
Gain on sale of investments	(3,189)		(1,929)	
Loss on fair valuation of investments (net)	-		89	
		34,051		15,174
Operating profit before working capital changes		**25,639**		**17,021**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(7,451)		(1,583)	
Inventories	(3,660)		(6,237)	
Other financial assets	(2,009)		(386)	
Other assets	3,311		2,609	
		(9,809)		(5,597)
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	21,033		8,361	
Other financial liabilities	2,129		1,582	
Provisions	128		292	
Other liabilities	1,884		(2,664)	
		25,174		7,571
Cash generated from operating activities		**41,004**		**18,995**
Less: Income tax paid		(964)		(1,479)
Net cash generated from operating activities		**40,040**		**17,516**
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(22,579)		(11,774)	

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023*	
	Deposits not considered as cash and cash equivalents				
	- Placed	(5,420)		(2,008)	
	- Matured	536		1,018	
	Proceeds from disposal of property, plant and equipment	2,571		133	
	Proceeds from sale of investments (Refer note 50)	4,885		45,149	
	Acquisition of subsidiary (Refer note 42)	-		(32,223)	
	Interest received	1,256		16,701	
	Net cash (used in)/ generated from investing activities		**(18,751)**		**16,996**
C	**Cash flow from financing activities**				
	Proceeds from allotment of equity shares (Refer note 44)	-		35,000	
	Expenses on issue of shares	-		(712)	
	Proceeds from non-current borrowings	9,586		7,081	
	Loans given to employees	(79)		(101)	
	Repayment of non-current borrowings	(12,497)		(60,613)	
	Repayment of lease liability	(204)		(182)	
	Proceeds from current borrowings (net)	(397)		1,573	
	Interest paid	(17,556)		(17,787)	
	Dividend paid	(915)		(915)	
	Net cash used in financing activities		**(22,062)**		**(36,656)**
	Net decrease in cash and cash equivalents (A+B+C)		**(773)**		**(2,144)**
	Cash and cash equivalents at the beginning of the year		17,491		14,306
	Cash acquired on acquisition of a subsidiary		-		5,329
	Cash and Cash equivalents at the end of the year (Refer note 10)		**16,718**		**17,491**
	Note:				
	Cash and cash equivalents comprises of:				
	Cash in hand		4		4
	Balances with banks		223		486
	Deposits with banks		16,491		17,001
	Cash and cash equivalents (Refer note 10)		**16,718**		**17,491**

*Refer Note 43

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2023	Cash flow changes		Non-cash flow changes		As at March 31, 2024
		Proceeds	Repayment	Effect of business combination	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	1,27,665	9,586	(12,497)	-	-	1,24,754
Loan from related party and others	284	-	-	-	-	284
Current borrowings	19,547	-	(397)	-	-	19,150
Total liabilities from financing activities	**1,47,496**	**9,586**	**(12,894)**	**-**	**-**	**1,44,188**

Particulars	As at April 01, 2022	Cash flow changes		Non-cash flow changes		As at March 31, 2023*
		Proceeds	Repayment	Effect of business combination	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	1,32,361	7,081	(60,613)	48,836	-	1,27,665
Loan from related party and others	284	-	-	-	-	284
Current borrowings	17,974	1,573	-	-	-	19,547
Total liabilities from financing activities	**1,50,619**	**8,654**	**(60,613)**	**48,836**	**-**	**1,47,496**

Reconciliations of lease liability:

Particulars	As at April 01, 2023	Additions	Finance cost accrued during the year	Effect of business combination	Payment of lease liabilities	As at March 31, 2024
Lease liabilities	354	50	20	-	(204)	220

Particulars	As at April 01, 2022	Additions	Finance cost accrued during the year	Effect of business combination	Payment of lease liabilities	As at March 31, 2023*
Lease liabilities	489	17	30	-	(182)	354

*Refer Note 43

The accompanying notes are an integral part of these financial statements

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

1. Corporate information and material accounting policies

(a) Corporate Information:

Sagar Cements Limited ("the Company/ Parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange (NSE) of India Limited and The BSE Limited. The registered office of the Company is located at Hyderabad. The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited) and Andhra Cements Limited (collectively referred to as "the Group"). The Group is engaged in the business of manufacture and sale of cement and generation of power for sale and captive consumption.

(b) Material accounting policies

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group 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 leasing transactions that are within the scope of Ind AS 116, net realisable value in Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

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

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

(iii) Functional and Presentation currency

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

Rounding of amounts

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

(iv) Use of estimates and Judgements

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

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

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

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

- **Defined benefit plans**

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

- **Recognition of deferred tax assets and liabilities**

  Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Group uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

- **Fair value measurement of Financial instruments**

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

- **Provisions and contingencies**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

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

- **Leases**

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

- **Impairment of investments**

  Determining whether the investments, are impaired requires an estimate of the value in use of investments. In considering the factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

- **Inventories**

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

- **Expected credit losses**

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

- **Mining rights**

  The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

  The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

(v) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2024 and March 31, 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Investee relationship		Principal place of business	Ownership held by	% of Holding and voting power held directly	
	March 31, 2024	March 31, 2023			As at March 31, 2024	As at March 31,2023
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	90%	95%

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries
- Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.
- When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(vi) Business combination

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of the acquire. Acquisition related costs are generally recognised in statement of profit and loss as incurred.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognise any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after remeasurement, is recognised in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination as a bargain purchase.

Mining rights

The Group has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets

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of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(vii) Non-controlling interests ("NCI")

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

Profit and loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(viii) Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment atleast annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(ix) Revenue recognition

The Group derives revenue from the sale of cement and recognises when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Revenue from service contracts with customers is recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

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No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power

In case of power generation, revenue from sale of energy is recognised on accrual basis. Claims for delayed payment charges and any other claims, which the Group 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 Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

(x) 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.

Investment 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.

(xi) Government grants

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

a) The Group will comply with the conditions attached to them; and

b) The grant will be received.

(xii) Employee benefits

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

Defined Contribution Plans

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

Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in statement of profit and loss when the plan amendment or curtailment occurs. Gains

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or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense.

Compensated Absences:

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised 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.

(xiii) Taxation

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

Current tax

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

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated 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. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of the goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date 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.

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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 date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group 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 and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xiv) 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 fixed assets up to the date the asset is ready for its intended use. Freehold land is not depreciated.

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under WDV method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Railway siding	25 years
Plant and machinery other than continuous process plant	3 - 25 years
Electrical Equipment (Plant & Machinery)	15 years and 25 years

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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 Group follows the process of componentisation for property, plant and equipment. Accordingly, the group 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 Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

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

Land-Restoration:

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

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

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

(xv) Intangible assets and amortisation

Computer software acquired are measured on initial recognition at cost and mining rights are recognised on account of business combination. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. 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.

(xvi) Inventories

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

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

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

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(xvii) 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) before 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 group are segregated based on the available information.

(xviii) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Group 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 Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

(xix) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Group's performance and allocates resources based on analysis of various performance indicators by business segments.

(xx) Financial Instruments

(A) Initial recognition

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognised immediately in profit and loss.

(B) Subsequent measurement

Non-derivative Financial Instruments:

a. **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. 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.

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c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. **Financial liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

(C) De-recognition of financial assets and liabilities

a. *Financial assets:*

The Group derecognises 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 Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised 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 recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b. *Financial liabilities:*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

(xxi) Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is

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designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not hold derivative financial instruments for speculative purposes.

(xxii) Investments

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(xxiii) Impairment of assets

a. **Financial assets:**

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit and loss.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As a practical expedient, the Group 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 recognised in the statement of profit and loss.

b. **Non-financial assets:**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised 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 recognised for the asset in prior years.

(xxiv) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

(xxv) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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).

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

(xxvi) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xxvii) Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(xxviii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2024	As at March 31, 2023
Land - freehold	44,517	44,505
Land - restoration	453	155
Buildings	54,054	47,308
Plant and machinery	1,88,352	1,87,795
Furniture and fittings	248	212
Office and other equipment	3,892	3,035
Electrical installations	13,905	14,261
Computers	146	104
Vehicles	1,118	370
Railway siding	4,573	4,822
Total	**3,11,258**	**3,02,567**

For the year 2023-24

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross Block											
Opening balance	**44,505**	**247**	**70,662**	**2,82,500**	**1,091**	**8,044**	**29,977**	**639**	**1,580**	**6,867**	**4,46,112**
Add: Additions	120	350	12,221	12,256	93	1,745	2,177	130	987	-	30,079
Less: Disposals	108	-	-	4,314	-	523	26	-	119	-	5,090
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	990	-	-	-	-	-	-	990
Balance as at March 31, 2024	**44,517**	**597**	**82,883**	**2,89,452**	**1,184**	**9,266**	**32,128**	**769**	**2,448**	**6,867**	**4,70,111**
II. Accumulated depreciation											
Opening Balance	**-**	**92**	**23,354**	**94,705**	**879**	**5,009**	**15,716**	**535**	**1,210**	**2,045**	**1,43,545**
Add: Depreciation expense	-	52	5,475	11,386	57	776	2,529	88	233	249	20,845
Less: Eliminated on disposal of assets	-	-	-	2,659	-	411	22	-	113	-	3,205
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	853	-	-	-	-	-	-	853
Less: Reversal of impairment	-	-	-	1,479	-	-	-	-	-	-	1,479
Balance as at March 31, 2024	**-**	**144**	**28,829**	**1,01,100**	**936**	**5,374**	**18,223**	**623**	**1,330**	**2,294**	**1,58,853**
Net block (I-II)											
Carrying value as at March 31, 2024	**44,517**	**453**	**54,054**	**1,88,352**	**248**	**3,892**	**13,905**	**146**	**1,118**	**4,573**	**3,11,258**
Carrying value as at March 31, 2023	44,505	155	47,308	1,87,795	212	3,035	14,261	104	370	4,822	3,02,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2022-23

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross Block											
Opening balance	**9,787**	**229**	**56,776**	**1,55,901**	**1,066**	**7,166**	**21,758**	**538**	**1,439**	**6,684**	**2,61,344**
Add: Additions	24	18	3,422	10,930	10	569	1,093	44	58	-	16,168
Add: Additions through business combination (Refer note 42)	34,702	-	10,464	1,15,676	15	383	7,212	57	124	183	1,68,816
Less: Disposals	8	-	-	7	-	74	86	-	41	-	216
Balance as at March 31, 2023	**44,505**	**247**	**70,662**	**2,82,500**	**1,091**	**8,044**	**29,977**	**639**	**1,580**	**6,867**	**4,46,112**
II. Accumulated depreciation											
Opening Balance	**-**	**79**	**13,516**	**37,539**	**798**	**3,831**	**8,834**	**417**	**979**	**1,613**	**67,606**
Add: Depreciation expense	-	13	4,634	6,868	66	881	2,225	69	149	249	15,154
Add: Additions through business combinations (Refer note 42)	-	-	5,204	50,301	15	361	4,671	49	119	183	60,903
Less: Eliminated on disposal of assets	-	-	-	3	-	64	14	-	37	-	118
Balance as at March 31, 2023	**-**	**92**	**23,354**	**94,705**	**879**	**5,009**	**15,716**	**535**	**1,210**	**2,045**	**1,43,545**
Net block (I-II)											
Carrying value as at March 31, 2023	**44,505**	**155**	**47,308**	**1,87,795**	**212**	**3,035**	**14,261**	**104**	**370**	**4,822**	**3,02,567**
Carrying value as at March 31, 2022	9,787	150	43,260	1,18,362	268	3,335	12,924	121	460	5,071	1,93,738

1. Pledge on property, plant and equipment:

(i) Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 3,09,687 (March 31, 2023: ₹ 3,02,042) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles and land restoration) are subject to a pari-passu second charge on the Company's current borrowings. Refer note 14A and 14B.

(ii) Vehicles with carrying amount of ₹ 1,118 (March 31, 2023: ₹ 370) are hypothecated to respective banks against vehicle loans. Refer note 14A and 14B.

2. The Group has not revalued its Property, plant and equipment during the year ended March 31, 2024 and March 31, 2023.

3. Asset held for sale represents Cement Mill I and Cement Mill II along with its auxiliary equipments. These assets are classified as asset held for sale based on sale agreement executed by the Andhra Cements Limited, Subsidiary Company, pending clearance of the above-mentioned assets from site by the identified buyer. Asset held for sale is classified at lower of cost and fair value less cost to sell.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

3. Intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Mining rights	8,503	8,874
Other intangible assets	63	32
Total	**8,566**	**8,906**

For the year 2023-24

Particulars	Mining rights	Other intangible assets	Total
I Gross Block			
Opening Balance	**10,226**	**329**	**10,555**
Add: Additions	-	38	38
Less: Disposals	-	-	-
Balance as at March 31, 2024	**10,226**	**367**	**10,593**
II. Accumulated amortisation			
Opening Balance	**1,352**	**297**	**1,649**
Add: Amortisation expense	371	7	378
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2024	**1,723**	**304**	**2,027**
Net block (I-II)			
Carrying value as at March 31, 2024	**8,503**	**63**	**8,566**
Carrying value as at March 31, 2023	8,874	32	8,906

For the year 2022-23

Particulars	Mining rights	Other intangible assets	Total
I Gross Block			
Opening Balance	**6,647**	**324**	**6,971**
Add: Additions on account of business combination	3,579	-	3,579
Add: Additions	-	5	5
Less: Disposals	-	-	-
Balance as at March 31, 2023	**10,226**	**329**	**10,555**
II. Accumulated amortisation			
Opening Balance	**1,109**	**288**	**1,397**
Add: Amortisation expense	243	9	252
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2023	**1,352**	**297**	**1,649**
Net block (I-II)			
Carrying value as at March 31, 2023	**8,874**	**32**	**8,906**
Carrying value as at March 31, 2022	5,538	36	5,574

Note: The Company has not revalued its intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

4. Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Buildings	56	178
Land	986	1,002
Total	**1,042**	**1,180**

For the year 2023-24

Particulars	Buildings	Land	Total
I. Gross block			
Opening Balance	**471**	**1,067**	**1,538**
Add: Additions	50	-	50
Less: Deletion	397	-	397
Balance as at March 31, 2024	**124**	**1,067**	**1,191**
II. Accumulated depreciation			
Opening Balance	**293**	**65**	**358**
Add: Depreciation expense	172	16	188
Less: Eliminated on disposal of leases	397	-	397
Balance as at March 31, 2024	**68**	**81**	**149**
Net block (I-II)			
Carrying value as at March 31, 2024	**56**	**986**	**1,042**
Carrying value as at March 31, 2023	178	1,002	1,180

For the year 2022-23

Particulars	Buildings	Land	Total
I. Gross block			
Opening Balance	**763**	**1,067**	**1,830**
Add: Additions	17	-	17
Less: Deletion	309	-	309
Balance as at March 31, 2023	**471**	**1,067**	**1,538**
II. Accumulated depreciation			
Opening Balance	**447**	**49**	**496**
Add: Depreciation expense	155	16	171
Less: Eliminated on disposal of assets	309	-	309
Balance as at March 31, 2023	**293**	**65**	**358**
Net block (I-II)			
Carrying value as at March 31, 2023	**178**	**1,002**	**1,180**
Carrying value as at March 31, 2022	316	1,018	1,334

Note: Refer note 35 on operating lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

5 Loans (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Loans to employees	94	53
Total	**94**	**53**
Current		
Loans to employees	86	48
Total	**86**	**48**
Total loans	**180**	**101**

Note: No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

6 Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits	4,140	2,353
Balances held as margin money deposit against borrowings (Refer note below)	469	1,522
Total	**4,609**	**3,875**
Current		
Security deposits	486	322
Advances to employees	98	40
Interest accrued but not due	269	164
Total	**853**	**526**
Total other financial assets	**5,462**	**4,401**

Note: Held as securities or earmarked for issue of bank guarantees/ letter of credit/ margin money.

7 Other assets (Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Capital advances (Refer note (i) below)		
Unsecured considered good	969	2,107
Considered doubtful	400	400
Less: Provision for advances	(400)	(400)
	969	**2,107**
Advances to suppliers and service providers	71	71
Prepaid expenses	1,377	1,284
Balances with government authorities	373	327
Less: Provision for doubtful deposits	(179)	(179)
	194	**148**
Total	**2,611**	**3,610**
Current		
Advances to suppliers and service providers (Refer note (ii) below)		
Unsecured considered good	3,845	3,759
Considered doubtful	50	-
Less: Provision for advances	(50)	-
	3,845	**3,759**
Prepaid expenses	1,164	852
Balances with government authorities	802	4,641
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	1,337	2,296
Considered doubtful	2,659	1,759
Less: Provision for incentives receivable from government	(2,659)	(1,759)
Total	**7,342**	**11,742**
Total other assets	**9,953**	**15,352**

Note:

(i) Includes ₹ 163 (March 31, 2023: ₹ 1,221) capital advances given to related party (Refer note 34).

(ii) Includes ₹ 20 (March 31, 2023: ₹ 5) advances given to related party (Refer note 34).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

8 Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	1,331	2,498
Coal	6,129	13,362
Work-in-progress	9,462	2,971
Stores and spares	6,862	6,121
Packing materials	705	843
Finished goods (Refer note 2 & 3 below)	2,147	1,876
Less: Provision for Obsolete Stores/Diminution in Value of Stocks	(225)	(782)
Total (A)	**26,411**	**26,889**
Goods-in-transit:		
Raw materials	12	10
Coal	4,289	137
Packing materials	42	58
Total (B)	**4,343**	**205**
Total inventories (A+B)	**30,754**	**27,094**

Note:

1. Refer note 1(b)(xvi) for basis of valuation of inventory and refer note 14A & 14B for details of inventory pledged.
2. Includes stock-in-trade of ₹ Nil (As at March 31, 2023: ₹ 3).
3. The cost of inventories recognised as an expense includes ₹ 63 (As at March 31, 2023: ₹ 125) in respect of write-downs of inventory to net realisable value

9 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - Secured	4,430	1,641
Trade receivables considered good - Unsecured	16,342	11,680
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,397	1,397
Sub-total	**22,169**	**14,718**
Less: Expected credit loss allowance	(1,397)	(1,397)
Total trade receivables	**20,772**	**13,321**

Notes:

Includes ₹ 22 (March 31, 2023: ₹ Nil) receivable from related party (Refer note 34) and refer note 14A and 14B for the details of trade receivables pledged.

No trade or other receivables, other than those disclosed in note 34, are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	15,301	5,044	108	163	71	85	20,772
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	28	702	1,266
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**15,351**	**5,218**	**192**	**391**	**99**	**918**	**22,169**

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	7,489	4,848	701	233	6	44	13,321
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	43	687	1,266
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**7,539**	**5,022**	**785**	**461**	**49**	**862**	**14,718**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	1,397	1,104
Add: Expected credit loss allowance	-	293
Balance at the end of the year	**1,397**	**1,397**

10 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash in hand	4	4
Balances with banks	223	486
Deposits with banks	16,491	17,001
Total Cash and cash equivalents	**16,718**	**17,491**

11 Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid dividend account	38	48
Margin money deposits (Refer note below)	9,456	3,509
Total other bank balances	**9,494**	**3,557**

Note: Margin money deposits are against bank guarantees and cash credit facilities.

12 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2023: Equity Shares of ₹ 2 each) (Refer note (f) below)	1,24,75,00,000	24,950	69,75,00,000	13,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2023: Preference Shares of ₹ 10 each)	4,30,00,000	4,300	4,30,00,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2023: Equity Shares of ₹ 2 each)	13,07,07,548	2,614	13,07,07,548	2,614

Notes:

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Opening balance	13,07,07,548	2,614	11,75,00,000	2,350
Allotment of equity shares (Refer note 44)	-	-	1,32,07,548	264
Closing balance	**13,07,07,548**	**2,614**	**13,07,07,548**	**2,614**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.
The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
AVH Resources India Private Limited	2,56,68,790	19.64%	2,56,68,790	19.64%
PI Opportunities Fund I Scheme II	1,32,07,548	10.10%	1,32,07,548	10.10%
R V Consulting Services Private Limited	1,20,78,125	9.24%	80,11,490	6.13%
Aruna Sammidi	76,19,850	5.83%	68,47,725	5.24%
Rachana Sammidi	66,08,540	5.06%	58,36,415	4.47%
Anand Reddy Sammidi	73,04,745	5.59%	65,32,620	5.00%
Sreekanth Reddy Sammidi	69,69,140	5.33%	61,97,015	4.74%

(d) Details of shares held by the promoters in the Company and change during the year:

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	1,20,78,125	9.24%	3.11%	80,11,490	6.13%	-0.69%
Aruna Sammidi	76,19,850	5.83%	0.59%	68,47,725	5.24%	-0.59%
Anand Reddy Sammidi	73,04,745	5.59%	0.59%	65,32,620	5.00%	-0.56%
Sreekanth Reddy Sammidi	69,69,140	5.33%	0.59%	61,97,015	4.74%	-0.53%
Rachana Sammidi	66,08,540	5.06%	0.59%	58,36,415	4.47%	-0.50%
Vanajatha Sammidi	49,53,845	3.79%	-	49,53,845	3.79%	-0.43%
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.29%	-	43,00,000	3.29%	-0.37%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
Siddarth Sammidi	41,09,490	3.14%	-	41,09,490	3.14%	-0.36%
Aneesh Reddy Sammidi	41,09,485	3.14%	-	41,09,485	3.14%	-0.36%
Malathi Reddy Wdaru	18,88,500	1.44%	-1.45%	37,77,000	2.89%	-0.32%
Madhavi Nadikattu	14,69,000	1.12%	-0.92%	26,69,000	2.04%	-0.23%
Andhra Pradesh Industrial Development Corporation	15,66,425	1.20%	-	15,66,425	1.20%	-0.13%
Panchavati Polyfibres Limited	1,57,500	0.12%	-	1,57,500	0.12%	-
P V Narsimha Reddy	10,000	0.01%	-	10,000	0.01%	-

(e) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(f) Pursuant to merger of Jajpur Cements Private Limited with the Company, authorised equity share capital of ₹ 11,000 of Transferor Company stand transferred as authorised share capital of the Company (Refer Note 43).

13A Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	37,551	37,551
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	62,165	67,416
Other items for other incomprehensive income	(157)	(68)
Total other equity	**1,91,508**	**1,96,848**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Movement in other equity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Capital Reserve		
(i) Opening Balance	37,551	35
(ii) Effect of business combination (Refer note 42)	-	37,516
	37,551	**37,551**
(b) Securities premium		
(i) Opening Balance	88,351	54,327
(ii) Premium on allotment of equity shares (Refer note 44)	-	34,736
(iii) Share issue expenses incurred during the year	-	(712)
	88,351	**88,351**
(c) General Reserve	**3,598**	**3,598**
(d) Retained earnings		
(i) Opening balance	67,416	65,316
(ii) Profit for the year	(4,336)	3,015
	63,080	**68,331**
Less: Appropriations		
(i) Dividend on equity shares (Refer note 41)	915	915
	62,165	**67,416**
(e) Other items of other comprehensive income		
(i) Opening Balance	(68)	(83)
(ii) Other comprehensive income	(89)	15
	(157)	**(68)**
Total	**1,91,508**	**1,96,848**

Nature of reserves

(a) Capital Reserve

This represents subsidies received from the government and on account of business combination as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Companies Act, 2013.

(c) General reserve

This represents appropriation of profit by the Company. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

(d) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(e) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

13B Non-controlling Interests ('NCI')

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year	7,017	5,401
Effect of business combination (Refer note 42)	-	3,670
Total comprehensive loss for the year attributable to NCI	(866)	(2,054)
Equity shares under Minimum public shareholding	1,696	-
Balance at end of the year	**7,847**	**7,017**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Details of subsidiaries with the non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Non-controlling interests	
		As at March 31, 2024	As at March 31, 2023
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited)	India	35%	35%
Andhra Cements Limited	India	10%	5%

14A Non current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Term loans (Refer note (i) below)	1,07,753	1,11,734
Non-convertible debentures (Refer note (ii) below)	1,154	3,461
Total non-current borrowings	**1,08,907**	**1,15,195**

*Current maturities of non-current borrowings are disclosed under the head "Current borrowings".

Note (i):

As at March 31, 2024

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	1,804	26 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,083	11 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	8	1 quarterly instalments	9.80%
Axis Bank Limited (Refer note 3 below)	1,247	8 quarterly instalments	9.80%
State Bank of India (Refer note 4 below)	1,198	8 quarterly instalments	10.65%
Axis Bank Limited (Refer note 5 below)	780	22 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	1,500	24 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	1,125	6 quarterly instalments	9.80%
The Federal Bank Limited (Refer note 8 below)	541	24 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	17,700	28 quarterly instalments	10.65%
Yes Bank Limited (Refer note 10 below)	13,866	30 quarterly instalments	10.65%
State Bank of India (Refer note 11 below)	18,102	30 quarterly instalments	10.50%
State Bank of India (Refer note 12 below)	59,452	39 quarterly instalments	9.75%
Vehicle loans from various banks/financial institutions (Refer note 13 below)	886	8 to 34 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(13,539)		
	1,07,753		

As at March 31, 2023

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	2,642	38 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,940	14 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	579	4 quarterly instalments	9.30%
Axis Bank Limited (Refer note 3 below)	1,890	12 quarterly instalments	9.30%
State Bank of India (Refer note 4 below)	1,798	12 quarterly instalments	9.40%
Axis Bank Limited (Refer note 5 below)	1,205	34 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	2,250	36 monthly instalments	8.75%
The Federal Bank Limited (Refer note 7 below)	1,875	10 quarterly instalments	9.30%
The Federal Bank Limited (Refer note 8 below)	782	36 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	18,700	32 quarterly instalments	10.15%
Yes Bank Limited (Refer note 10 below)	15,249	33 quarterly instalments	9.65%
State Bank of India (Refer note 11 below)	19,939	33 quarterly instalments	10.15%
State Bank of India (Refer note 12 below)	50,490	39 quarterly instalments	9.60%
Vehicle loans from various banks/financial institutions (Refer note 13 below)	557	1 to 36 monthly instalments	7.16% to 8.30%
Less: Current maturities of non-current borrowings	(10,162)		
	1,11,734		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

1. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram and plant and equipment of Waste heat recovery power plant at Mattampally, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
2. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
4. Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
5. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
6. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
8. This term loan is secured by first pari-passu charge on asset to be created through proceeds of the loan and second pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by National credit guarantee trustee Ltd.
9. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, hypothecation of all rights, title and interests of the Company under all plant documents, contracts, insurance policies, permits/ approvals etc related to the plant, to which the Company is party and can be legally assigned and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
10. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents and in the clearances. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares and Non Disposable Undertaking (NDU) for the balance shareholding of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. Term loan is secured by first pari-passu charge on the property, plant and equipment (including 30 Acres of project lease land excluding mining land) owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents, excluding mining land. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
12. This term loan is secured by first pari-passu charge on all the immovable fixed assets (present & future) and all the movable fixed assets (present and future) by way of Equitable mortgage, and first charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/ insurance proceeds of fixed assets and pledged 2,18,90,883 equity shares of Andhra Cements Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited and corporate guarantee of Sagar Cements Limited.
13. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

Note (ii):

Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 Lakhs each) aggregating ₹ 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 instalments of ₹ 1,154 starting from May 2019 onwards. The Company has paid two instalments during the current year, ten instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the Company both present and future, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.

Note (iii):

The Company has used the borrowings for the purposes for which it was taken.

14B Current borrowings (at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
Cash credit facilities (Refer notes below)	19,150	19,547
Current maturities of non-current borrowings (Refer note 14A)	15,847	12,470
Total secured borrowings	**34,997**	**32,017**

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.75% p.a. to 9.40% p.a. (2022-23: 7.90% to 9.25% p.a.).
2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.90% p.a. to 9.50% p.a. (2022-23: 7.60% p.a. to 9.00% p.a.).

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3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.20% p.a. to 9.75% p.a. (2022-23: 7.20% p.a. to 8.75% p.a.).

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.50% p.a. to 9.10% p.a. (2022-23: 7.90% p.a. to 9.10% p.a.).

5. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Managing Director. The loans are repayable on demand and carries interest @ 8.35% p.a. to 9.40% p.a. (2022-23: 7.60% p.a. to 8.35% p.a.).

6. The Company has availed cash credit facilities from Yes Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.75% p.a. to 11.15% p.a. (2022-23: 8.15% p.a. to 9.80% p.a.).

7. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and including EM of 30 acres of project lease land (mining land excluded), and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.25% p.a. to 9.40% p.a. (2022-23: 7.80% p.a. to 9.25% p.a.).

8. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.25% p.a. to 9.35% p.a. (2022-23: Nil).

9. The Company has used the borrowings for the purposes for which it was taken.

10. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

15 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits received	11,417	8,708
Loan from others	284	193
Loans from related party	-	91
Total	**11,701**	**8,992**
Current		
Interest accrued but not due on borrowings	1,555	683
Unclaimed dividends (Refer note (i) below)	38	48
Payables on purchase of property, plant and equipment (Refer note (ii) below)	490	2,889
Other Payables	-	570
Derivative liability	10	-
Total	**2,093**	**4,190**
Total other financial liabilities	**13,794**	**13,182**

Note:

(i) As at March 31, 2024 (March 31, 2023: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

(ii) Includes ₹ Nil (March 31, 2023: ₹ 1,559) payable to related party (Refer note 34).

16 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity (Refer note 32)	1,066	888
Compensated absences (Refer note 32)	667	583
Total provisions	**1,733**	**1,471**
Non-current		
Gratuity	738	618
Compensated absences	448	411
Total	**1,186**	**1,029**
Current		
Gratuity	328	270
Compensated absences	219	172
Total	**547**	**442**

17 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	12,076	431
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	39,749	30,449
Total	**51,825**	**30,880**

Note: Includes ₹ 735 (March 31, 2023: ₹ 747) payable to related party (Refer note 34).

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All amounts are in ₹ Lakhs unless otherwise stated

Trade payables ageing schedule for the year ended March 31, 2024 and March 31, 2023:

FY 2023-24:

Particulars		Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	7,195	4,881	-	-	-	12,076
(ii)	Others	31,590	7,470	90	90	509	39,749
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
Total		**38,785**	**12,351**	**90**	**90**	**509**	**51,825**

FY 2022-23:

Particulars		Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	284	147	-	-	-	431
(ii)	Others	13,536	16,347	169	60	337	30,449
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
Total		**13,820**	**16,494**	**169**	**60**	**337**	**30,880**

18 Other Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Liability for land restoration	635	249
Total	**635**	**249**
Current		
Advance from customers	4,582	5,315
Statutory remittances	5,142	2,525
Total	**9,724**	**7,840**
Total other liabilities	**10,359**	**8,089**

19 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from		
- Sale of cement and clinker (Refer note 40)	2,49,558	2,21,255
- Sale of power (Refer note 40)	267	1,037
Other operating income		
- Sale of scrap	494	331
- Insurance claims	51	211
- Others	91	120
Total revenue from operations	**2,50,461**	**2,22,954**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

20 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income on financial assets at amortised cost	1,361	20,272
Rent received from employees	20	21
Profit on sale of property, plant & equipment	751	35
Gain on sale of Investments	3,189	1,929
Liabilities no longer required written back	10	13
Net gain on foreign currency transactions and translation	81	-
Total other income	**5,412**	**22,270**

21 Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	2,428	1,999
Add: Purchases	44,974	38,553
Add: Purchases on acquisition of subsidiary (Refer note 42)	-	52
Less: Closing stock	1,331	2,498
Total cost of materials consumed	**46,071**	**38,106**
Details of materials consumed		
Limestone	12,339	10,117
Laterite	5,378	4,403
Iron-ore sludge	400	588
Gypsum	3,360	2,793
Flyash	6,305	4,772
Clinker Purchased	7,522	4,564
Slag	7,303	4,627
Others	8,280	8,210
Less: Captive consumption	(4,816)	(1,968)
Total	**46,071**	**38,106**

22 Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cement	1,781	2,437
Total Purchase of stock-in-trade	**1,781**	**2,437**

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year:		
Finished goods	1,873	1,471
Work-in-progress	3,042	4,847
	4,915	**6,318**
Inventories on acquisition of subsidiary: (Refer note 42)		
Finished goods	-	-
Work-in-progress	-	271
	-	**271**
Inventories at the end of the year:		
Finished goods	2,147	1,873
Work-in-progress	9,462	3,042
	11,609	**4,915**
Net (increase)/ decrease	**(6,694)**	**1,674**

24 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages, including bonus	9,779	8,164
Contribution to provident and other funds (Refer note 32)	978	788
Staff welfare expenses	973	982
Total employee benefits expense	**11,730**	**9,934**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

25 Finance cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense	14,852	14,710
Less: Borrowing costs on qualifying assets capitalised	(108)	(222)
Interest on deposits from dealers	356	271
Interest on lease liability (Refer note 35)	20	30
Other borrowing cost	3,363	5,375
Total finance cost	**18,483**	**20,164**

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 2)	20,845	15,154
Depreciation on right of use assets (Refer note 4 and 35)	188	171
Amortisation of intangible assets (Refer note 3)	378	252
Total depreciation and amortisation	**21,411**	**15,577**

27 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Packing materials consumed	7,950	8,011
Stores and spares consumed	5,038	4,413
Repairs and maintenance		
Plant & equipment	4,426	2,903
Buildings	60	15
Others	1,524	1,276
Selling expenses	4,341	3,523
Expected credit loss allowances	-	293
Provision for incentives receivable from government	900	900
Provision for impairment on capital advances	-	400
Provision for impairment on supplier advances	50	-
Rent	261	217
Insurance	533	387
Rates and taxes	583	292
Expenditure on corporate social responsibility	290	280
Payment to Auditors	148	103
Travelling and conveyance	873	711
Security services	722	524
Donations and contributions (Refer note 49)	819	469
Legal and other professional	1,109	1,574
Administrative expenses	460	445
Printing and stationery	137	48
Communication	123	91
Net Loss on foreign currency transactions and translation	8	233
Directors sitting fees	58	46
Miscellaneous expenses	71	91
Total other expenses	**30,559**	**27,245**

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All amounts are in ₹ Lakhs unless otherwise stated

28 Income tax expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Income tax recognised in the statement of profit & loss		
Current tax:		
In respect of the current year	890	2,330
	890	**2,330**
Deferred tax		
In respect of current year origination and reversal of temporary differences	(4,097)	(1,444)
	(4,097)	**(1,444)**
Total tax expense	**(3,207)**	**886**

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss)/ profit before tax (A)	(8,412)	1,847
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	**(2,939)**	**645**
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(475)	(1,915)
Effect on expenses disallowed under Income Tax Act, 1961	540	1,534
Effect on change in depreciation and losses while filing Income tax return	(33)	11
Effect on change in Income tax rate	(557)	(172)
Effect of Tax paid at a lower rate	256	754
Others	1	29
Total	**(268)**	**241**
At the effective income tax rate	(3,207)	886
Total Tax expense	**(3,207)**	**886**

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Movement in deferred tax assets and liabilities for the year 2023-24:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect on business combination	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	37,784	2,067	-		-	39,851
Provision for employee benefits	(438)	(45)	(48)	-	-	(531)
Expected credit loss allowance	(487)	-	-	-	-	(487)
MAT credit entitlement	(8,375)	(333)	-	-	-	(8,708)
Carry forward unabsorbed depreciation and business losses	(26,991)	(5,441)	-		-	(32,432)
Others	(595)	(345)	-		-	(940)
Total Deferred tax liability (Net)	**898**	**(4,097)**	**(48)**	**-**	**-**	**(3,247)**

Movement in deferred tax assets and liabilities for the year 2022-23:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect on business combination	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	21,890	455	-	15,439	-	37,784
Provision for employee benefits	(288)	(78)	7	(79)	-	(438)
Expected credit loss allowance	(385)	(102)	-	-	-	(487)
MAT credit entitlement	(9,002)	-	-	-	627	(8,375)
Carry forward unabsorbed depreciation and business losses	(3,620)	(2,471)	-	(20,900)	-	(26,991)
Others	(366)	752	-	(981)	-	(595)
Total Deferred tax liability (Net)	**8,229**	**(1,444)**	**7**	**(6,521)**	**627**	**898**

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Gross deferred tax assets and liabilities are as follows:

As at March 31, 2024

Particulars	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(18,231)	21,620	39,851
Provision for employee benefits	94	(437)	(531)
Expected credit loss allowance	3	(484)	(487)
MAT credit entitlement	-	(8,708)	(8,708)
Carry forward business losses and depreciation	32,343	(89)	(32,432)
Others	(163)	(1,103)	(940)
Total	**14,046**	**10,799**	**(3,247)**

As at March 31, 2023

Particulars	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(16,806)	20,978	37,784
Provision for employee benefits	92	(346)	(438)
Expected credit loss allowance	3	(484)	(487)
MAT credit entitlement	-	(8,375)	(8,375)
Carry forward business losses and depreciation	26,355	(636)	(26,991)
Others	(187)	(782)	(595)
Total	**9,457**	**10,355**	**898**

Income tax assets and liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (Net of provision of ₹ 6,554 (2022-23: ₹ 4,849)	1,607	515
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 814 (2022-23: ₹ 1,191)	1,018	-
Net Income tax liabilities	**589**	**515**

29. Contingent liabilities, corporate guarantees, capital and other commitments

a) Contingent Liabilities:

Based on legal opinion/advice obtained, no financial implication to the group with respect to the following cases is perceived as on the Balance Sheet date.

(i) Claims against the Group not acknowledged as debt:

Particulars	As at March 31, 2024	As at March 31, 2023
Direct taxes related	3,051	3,076
Indirect taxes related	1,622	1,251
Others	428	428

(ii) The Ministry of Finance, 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 Group took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,601 (As at March 31, 2023: ₹ 1,612) from July 2010 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 ₹ 1,601 was reversed, but under protest. The balance of ₹ 11 pertains to the penalty imposed by the department and disclosed in contingent liabilities under indirect taxes as at March 31, 2023. During March 31, 2024, the penalty of ₹ 11 has been disposed by the central excise department. As at March 31, 2024, the Company intends to file an appeal before High Court of Telangana for refund of CENVAT credit.

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(iii) The Hon'ble Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2024	As at March 31, 2023
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	37,000
Andhra Cements Limited	Term loan and working capital facilities from State Bank of India	Axis Trustee Services Limited	66,500	60,000*
Total			**1,03,500**	**97,000**

*The Parent Company has not yet executed the corporate guarantee in favour of State Bank of India as on March 31, 2023.

c) Capital and other commitments:

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	42,061	8,563

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	12,148	431
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	72	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

31. Financial Instruments:

The material accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xx) to the financial statements.

A) Capital Management:

The group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the group consists of net debt (borrowings as detailed in Notes 14 & 15 offset by cash and bank balances) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on a 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, 2024	As at March 31, 2023
Debt (Refer Note below)	1,44,188	1,47,496
Cash and cash equivalents and Other bank balances	26,212	21,048
Net debt	1,17,976	1,26,448
Total equity	2,01,969	2,06,479
Net debt to equity ratio	0.58	0.61

Note: Debt comprises of current and non-current borrowings as disclosed in Notes 14 and 15.

B) Categories of financial instruments:

The carrying value and fair value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Measured at amortised cost		
(i) Investments	-	-
(ii) Loans	180	101
(iii) Trade receivables	20,772	13,321
(iv) Cash and cash equivalents	16,718	17,491
(v) Other bank balances	9,494	3,557
(vi) Other financial assets	5,462	4,401
Total Financial assets	**52,626**	**38,871**

Particulars	As at March 31, 2024	As at March 31, 2023
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	1,43,904	1,47,212
(ii) Trade payables	51,825	30,880
(iii) Lease liabilities	220	354
(iv) Other financial liabilities	13,794	13,182
Total Financial liabilities	**2,09,743**	**1,91,628**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are in ₹ Lakhs unless otherwise stated

C) Financial risk management objectives:

The group's corporate finance function monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The group seeks to minimise the effects of these risks by continues monitoring on day to day basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the group's management, which monitors risks and policies implemented to mitigate risk exposures.

D) Market risk:

The group's activities expose it primarily to the financial risk of changes in interest rates. The group seeks to minimise the effect of this risk by continues monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has 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 group's: loss for the year ended March 31, 2024 would increase/ decrease by ₹ 721 (Profit for the year ended March 31, 2023: decrease/ increase by ₹ 737). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risks

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are outstanding derivative instruments at the end of the current financial year.

E) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The group 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.

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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 group 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. The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F) Liquidity Risk Management:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has unutilised credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing facilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Secured bills acceptance facility, reviewed annually		
- amount used	28,525	23,586
- amount unused	4,275	8,214
Total	**32,800**	**31,800**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	19,150	19,547
- amount unused	10,050	11,153
Total	**29,200**	**30,700**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	1,21,292	1,21,896
- amount unused	-	8,964
Total	**1,21,292**	**1,30,860**
Secured non-convertible debentures		
- amount used	3,462	5,769
- amount unused	-	-
Total	**3,462**	**5,769**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	51,825	-	-
Lease liabilities	56	25	139
Other financial liabilities	2,093	850	10,851
Borrowings (including current maturities of non-current borrowings)	34,997	14,259	94,648

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	30,880	-	-
Lease liabilities	180	24	150
Other financial liabilities	4,190	780	8,212
Borrowings (including current maturities of non-current borrowings)	32,017	15,641	99,554

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32. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The group makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the group 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 group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 537 (2022-23: ₹ 413).

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 51 (2022–23: ₹ 51).

Employee State Insurance

The group makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the group 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 group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognised during the year aggregated ₹ 6 (2022–23: ₹ 5).

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972 of India, the group 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 to be recognised in the financial statements as per actuarial valuation as at March 31, 2024 and March 31, 2023:

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.22%	7.49% - 7.51%
Expected rate of return on plan asset	7.67%	7.01% - 7.36%
Expected average remaining working lives of employees	16.37 – 21.91 years	16.22 - 22.34 years
Rate of escalation in salary	8.00% - 10.76%	8% - 9%
Attrition rate	5.22% - 28.33%	9%

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	201	165
Interest expense	120	99
Other adjustments	11	(7)
Expected return on plan assets	(69)	(68)
Defined benefit cost included in profit and loss	**263**	**189**
Re-measurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial, demographic and experience adjustments	135	(45)
Return on plan assets (excluding interest income)	(1)	23
Components of defined benefit costs recognised in OCI	**134**	**(22)**

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded defined benefit obligations	2,105	1,872
Fair value of plan assets	(1,039)	(984)
Net liability arising from defined benefit obligation	1,066	(888)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation at the beginning of the year	1,872	1,552
Current service cost	201	165
Interest cost	120	99
Re-measurements - Actuarial gain	135	(45)
Benefits paid out of plan assets and by employer	(222)	(82)
Effect of business combination	-	184
Other adjustments	(1)	(1)
Defined benefit obligation at the year end	**2,105**	**1,872**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within 1 year	323	270
1 – 2 years	264	251
2 – 3 years	274	186
3 – 4 years	225	209
4 – 5 years	264	167
5 – 10 years	775	767

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f) Movements in fair value of plan assets are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of the plan assets	984	970
Expected return on plan assets	72	70
Contributions from the employer	144	45
Benefits paid out of plan assets	(156)	(82)
Other adjustments	(4)	(1)
Re-measurement – Return on Assets (excluding interest income)	(1)	(18)
Fair value of plan asset at the year end	**1,039**	**984**

g) Sensitivity Analysis:

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

Particulars	Defined Benefit Obligation			
	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,834	2,025	1,620	1,806
Effect of 1% change in assumed salary rate	2,018	1,835	1,805	1,616
Effect of 1% change in assumed attrition rate	1,911	1,938	1,670	1,715

The group is expected to contribute ₹ 886 Lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate	7.22%	7.49% - 7.51%
Salary escalation rate	8.00% - 10.76%	8% - 9%
Attrition rate	5.22% - 28.33%	9%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The group has made provision for compensated absences based on the actuarial valuation.

33. Segment Reporting:

The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 “Operating Segments”, specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segment applicable to the Company.

Revenue from major Customers:

The Group is not reliant on revenues from transactions with any single external customer and did not receive 10% or more of its revenues from transactions with any single customer for the year ended March 31, 2024 and March 31, 2023.

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34. Related Party Disclosures:

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

Name	Relationship
Key managerial personnel (KMP):	
K V Vishnu Raju	Chairman of the Board of Directors
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director
Ravichandran Rajagopal	Independent Director
Rachana Sammidi	Director
John Eric Fernand Pascal Cesar Bertrand	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS) (upto November 10, 2023)
J. Raja Reddy	Company Secretary (CS) (w.e.f. November 11, 2023)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
S. Sahithi	Daughter of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AVH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director

Summary of the transactions with the above parties are as follows:

Nature of transaction	Party name	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchase of packing materials	Panchavati Polyfibres Limited	7,085	8,064
Purchase of property, plant and equipment	RV Consulting Services Private Limited	4,630	3,778
Rent expenses paid	Dr. S. Anand Reddy	48	41
	S. Sreekanth Reddy	48	41
	S. Vanajatha	48	41
	Total	**143**	**123**
Interest expense on loan	Sagar Power Limited	-	-
Sale of scrap	RV Consulting Services Private Limited	19	-
Sale of property, plant and equipment	RV Consulting Services Private Limited	-	65
Legal and professional expenses	Sagarsoft (India) Limited	57	57
Reimbursement of expenses received	Sagarsoft (India) Limited	9	8
	RV Consulting Services Private Limited	13	12
	Panchavati Polyfibres Limited	10	10
	Sagar Power Limited	3	4
	Total	**35**	**34**
Payment of salary	S. Siddarth Reddy	14	7
	S. Sahithi	24	-
	Total	**38**	**7**

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Nature of transaction	Party name	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend paid	S. Vanajatha	35	35
	RV Consulting Services Private Limited	85	56
	S. Siddarth	29	29
	Panchavati Polyfibres Limited	1	1
	AVH Resources India Private Limited	180	180
	Dr. S. Anand Reddy	46	46
	S. Sreekanth Reddy	43	43
	Rachana Sammidi	41	41
	Total	**460**	**431**

Compensation to key managerial personnel:

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 40)
Short-term benefits	MD, JMD, CS and CFO	830	1,303
Sitting fee	Chairman, MD, JMD and Directors	54	46

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2024	As at March 31, 2023 (Refer note 40)
Other financial assets - Advances	Sagar Power Limited	1	-
	Sagarsoft (India) Limited	1	-
	RV Consulting Services Private Limited	18	5
	Total	**20**	**5**
Trade payables	Panchavati Polyfibres Limited	735	742
	Sagarsoft (India) Limited	-	5
	Total	**735**	**747**
Payable on purchase of property, plant and equipment	RV Consulting Services Private Limited	-	1,559
Capital advances	RV Consulting Services Private Limited	163	1,221
Trade Receivable	RV Consulting Services Private Limited	22	-
Rent Payable	Dr. S. Anand Reddy	-	4
	S. Sreekanth Reddy	-	4
	S. Vanajatha	-	4
	Total	**-**	**12**

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35. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The group lease asset classes primarily consist of leases for land and buildings. The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate.

The group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	1,180	1,334
Additions	50	17
Depreciation	(188)	(171)
Closing Balance	**1,042**	**1,180**

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	354	489
Additions	50	17
Finance cost accrued during the year	20	30
Payment of lease liabilities	(204)	(182)
Closing Balance	**220**	**354**

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The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Non-current lease liabilities	164	174
Current lease liabilities	56	180
Total	**220**	**354**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on discounted basis

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within one year	56	180
After one year but not more than five years	76	73
More than 5 years	88	101

Amount recognised in statement of profit and loss account as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amortisation of right of use assets	188	171
Interest on lease liability	20	30
Expense relating to short term lease	261	217

36. Earnings per Share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Refer note 43)
Profit after tax (₹ in Lakhs)	(5,205)	961
Weighted average number of equity shares outstanding (Refer Note 12(a))	13,07,07,548	12,94,04,886
Earnings per share:		
Basic and Diluted (in ₹)	(3.98)	0.74

37. Corporate social responsibility (CSR) activities:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group and the amount needs to be spent by the Group for the year is 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the group during the year	273	301
Amount of expenditure incurred	290	306
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38. Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Principal place of business	Ownership held by	% of Holding and voting power held directly	
				As at March 31, 2024	As at March 31,2023
Sagar Cements (M) Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	India	Sagar Cements Limited	90%	95%

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39. Disclosure of additional information as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

As at and for the year ended March 31, 2024:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	84%	1,70,527	(60%)	3,117	108%	(93)	(57%)	3,024
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) (Subsidiary)	4%	8,636	28%	(1,468)	(9%)	8	28%	(1,460)
Andhra Cements Limited (Subsidiary)	15%	29,681	126%	(6,561)	1%	(1)	124%	(6,562)
Adjustments arising out of consolidation	1%	972	(11%)	573	3%	3	(11%)	570
Non-controlling interests	(4%)	(7,847)	17%	(866)	(3%)	(3)	16%	(863)
Total	**100%**	**2,01,969**	**100%**	**(5,205)**	**100%**	**(86)**	**100%**	**(5,291)**

As at and for the year ended March 31, 2023:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	81%	1,68,418	765%	7,353	86%	14	455%	7,367
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) (Subsidiary)	5%	10,096	(605%)	(5,810)	7%	1	(672%)	(5,809)
Andhra Cements Limited (Subsidiary)	17%	35,524	(43%)	(410)	-	-	(47%)	(410)
Adjustments arising out of consolidation	(0%)	(542)	196%	1,882	-	-	218%	1,882
Non-controlling interests	(3%)	(7,017)	(214%)	(2,054)	-	-	(238%)	(2,054)
Total	**100%**	**2,06,479**	**100%**	**961**	**100%**	**15**	**100%**	**976**

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of intercompany transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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40. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per Contract price	2,85,473	2,53,408
Less: Discounts and incentives	(35,648)	(31,116)
Revenue as per statement of profit and loss	2,49,825	2,22,292

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Group does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

Disaggregation of Revenue:

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Goods transferred at a point of time	2,49,825	2,22,292
Goods transferred over time	-	-

41. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

The Parent Company declares and pays dividend in Indian rupees. Companies are required to pay/ distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Final dividend for FY 2021-22	-	0.70
Final dividend for FY 2022-23	0.70	-

During the year ended March 31, 2024, on account of the final dividend for the financial year 2022-23, the Parent Company has incurred a net cash outflow of ₹ 915.

The Board of Directors at their meeting held on May 14, 2024, recommended a final dividend of ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Parent Company. This payment is subject to approval of the shareholders in the upcoming Annual General Meeting and if approved would result in the net cash outflow of approximately ₹ 915.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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42. Business Combination

Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code 2016 the Resolution Plan submitted by the Parent Company in respect of the corporate insolvency resolution process of Andhra Cements Limited ("ACL") has been approved by the Hon'ble National Company Law Tribunal, Amaravati Bench ("NCLT") on February 16, 2023.

ACL is mainly engaged in the manufacturing of cement and has two manufacturing units located at Dachepalli, Andhra Pradesh and Visakhapatnam, Andhra Pradesh.

Post completion of the resolution process under the supervision of the monitoring committee (MC) which was constituted as per the mandate given in NCLT order, the Company obtained control of Andhra Cements Limited with effect from March 18, 2023, post dissolution of MC.

In accordance with the Resolution Plan, the Company has subscribed to 95% of the reconstituted paid-up share capital of ACL for an aggregate amount of ₹ 32,223 and remaining 5% of the reconstituted paid-up share capital of ACL is held by existing public shareholders.

In accordance with Ind AS 103 "Business Combination", purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of assets acquired and liabilities assumed. The resulting difference has been accounted as capital reserve. The financial statements include the results of ACL from March 18, 2023 to March 31, 2023. Accordingly, the Company has recognised its share of capital reserve amounting to ₹ 1,914 during the financial year ended March 31, 2023.

During the current year, the Company has finalised the fair values of identifiable assets and liabilities taken over as on acquisition date, which has resulted in capital reserve of ₹ 37,516 Lakhs and accordingly, the incremental capital reserve of ₹ 35,602 Lakhs was recorded in accordance with Ind-AS 103 'Business Combinations'.

As per Ind AS 103 'Business Combinations', purchase consideration has been allocated on the basis of the fair value of the acquired assets and liabilities. The resulting differential has been accounted as capital reserve.

Details of the purchase consideration, net assets acquired, and bargain purchase are as follows:

Particulars	Amount (₹)	Amount (₹)
Consideration paid		32,223
Assets		
Non-current	1,18,825	
Current	7,402	
	1,26,227	
Liabilities		
Non-current	50,996	
Current	1,822	
	52,818	
Less: Net assets of Andhra Cements Limited as on March 17, 2023		73,409
Less: Non-controlling interest as on March 17, 2023		3,670
Gain on Bargain purchase		**37,516**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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43. On July 06, 2023, the Company had filed a Scheme of Amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the merger of Jajpur Cements Private Limited (JCPL) (Transferor Company), a wholly owned subsidiary, with the Company (Transferee Company) with an appointed date of April 01, 2022. The scheme as approved by various regulatory authorities was sanctioned by Hyderabad bench of National Company Law Tribunal (NCLT) on September 14, 2023. The transaction being a common control business combination, merger accounting has been done under the Pooling of Interest Method in accordance with Ind AS 103 - Business combination. Accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and prior period amounts have been restated as if the business combination had occurred from the beginning of the preceding period.

Details of the summarised values of assets and liabilities of JCPL as acquired and the treatment of the difference between the net assets acquired and the consideration paid is as under:

Particulars	Transferor Company	Elimination (Refer Note 1 below)	Total
Assets			
Non-current assets			
(a) Property, plant and equipment	27,582	-	27,582
(b) Capital work-in-progress	-	-	-
(c) Intangible assets	1	-	1
(d) Goodwill	-	63	63
(e) Right of use assets	566	-	566
(f) Investments	31,468		31,468
(g) Other Non-current financial assets	661	(158)	503
(h) Income tax assets (net)	4	-	4
(i) Deferred tax assets	545	-	545
(j) Other non-current assets	9,573	-	9,573
Total Non-current assets	**70,400**	**(95)**	**70,305**
Current assets			
(a) Inventories	1,106	-	1,106
(b) Trade receivables	259	(32)	227
(c) Cash and cash equivalents	2	-	2
(d) Bank balances other than cash and cash equivalents	10	-	10
(e) Other financial assets	1	-	1
(f) Other current assets	9,013	(1,133)	7,880
Total Non-current assets	**10,391**	**(1,165)**	**9,226**
Total Assets	**80,791**	**(1,260)**	**79,531**
Equity and Liabilities			
Equity			
Equity share capital	10,768	(10,768)	-
Other equity	(1,512)	(221)	(1,733)
Total equity	**9,256**	**(10,989)**	**(1,733)**
Liabilities			
Non-current liabilities			
(a) Borrowings	18,753	-	18,753
(b) Lease liabilities	46	-	46
(c) Other financial liabilities	46,632	(46,483)	149
(d) Provisions	7	-	7
Total Non-current liabilities	**65,438**	**(46,483)**	**18,955**
Current liabilities			
(a) Borrowings	4,050	-	4,050
(b) Trade payables	377	(31)	346
(c) Lease liabilities	4	-	4
(d) Other financial liabilities	1,449	(1,338)	111
(e) Provisions	3	-	3
(f) Other current liabilities	214	-	214
Total Current liabilities	**6,097**	**(1,369)**	**4,728**
Total	**80,791**	**(58,841)**	**21,950**

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Details of impact on net profit and taxes is summarised below:

Particulars	For the year ended March 31, 2023
Net Profit for the year	
As per financial statements of FY 2022-23	850
Less: Adjustment due to merger	111
Net Profit for the year post merger	**961**
Total Tax for the year	
As per financial statements of FY 2022-23	997
Less: Adjustment due to merger	(111)
Tax charge on profits for the year post merger	**886**

Details of impact on statement of cash flows is summarised below:

Particulars	For the year ended March 31, 2023
Net cash generated from operating activities	
As per financial statements of FY 2022-23	17,516
Less: Adjustment due to merger	-
Net cash generated from operating activities post-merger	**17,516**
Net cash generated from/ (used in) investing activities	
As per financial statements of FY 2022-23	16,996
Less: Adjustment due to merger	-
Net cash used in investing activities post merger	**16,996**
Net cash generated from financing activities	
As per financial statements of FY 2022-23	(36,656)
Add: Adjustment due to merger	-
Net cash used in financing activities post merger	**(36,656)**
Net increase in cash and cash equivalent	
As per financial statements of FY 2022-23	(2,144)
Less: Adjustment due to merger	-
Net increase in cash and cash equivalent post merger	**(2,144)**

Note:

1. Represents elimination between Transferor Company and Transferee Company.

44. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the parent Company increased from ₹ 2,350 to ₹ 2,614, divided into 13,07,07,548 equity shares of ₹ 2/- each.

45. Capital Work-in-Progress:

(a) Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	678	660	49	83	1,470

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	7,877	1,903	81	57	9,918

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

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(b) Capitalisation of expenditure:

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress (CWIP) in the course of its construction.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure during construction for projects		
Finance costs	108	221
Total expenditure during construction for projects	**108**	**221**
Less: Sale of products / Other income	-	-
Add: Balance at the beginning of the year	**284**	**628**
Less: Capitalised during the year	(392)	(565)
Closing balance included in CWIP	**-**	**284**

Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

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46. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2024	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2024*	Balance outstanding as at March 31, 2023*
Marble Estate India Limited			-	-	(0.13)	(0.13)
Keller Ground Engineering India Private Limited			-	-	(2.00)	(2.00)
Target Fabrication & Constructions Private Limited	Customer	Sale of cement	-	3.92	(0.10)	(0.10)
Sudarshan Construction			-	1.80	-	-
Shagun Ashiyana Private Limited			-	1.80	-	-
Ninad Holding Private Limited		-	-	-	46 No's	46 No's
Ninad Holding Pvt Ltd		-	-	-	125 No's	125 No's
Fairgrowth Investments Limited		-	-	-	34 No's	34 No's
Cosmat Investments Private Limited		-	-	-	20 No's	20 No's
Skyline Promoters Private Limited		-	-	-	15 No's	15 No's
LYNX Mutual Funds Limited		-	-	-	13 No's	13 No's
Rockland Leasing Limited		-	-	-	11 No's	12 No's
Baps (India) Trading Private Limited		-	-	-	11 No's	11 No's
Micronet Software Services Private Limited		-	-	-	10 No's	10 No's
Silver Arrow Investments Private Limited		-	-	-	9 No's	9 No's
Victor Properties Private Limited		-	-	-	-	6 No's
Devika Constructions Private Limited	Shareholders of Andhra Cements Limited	-	-	-	5 No's	5 No's
Paul Dey & Company Private Limited		-	-	-	4 No's	4 No's
Suphala Plantations India Limited		-	-	-	4 No's	4 No's
Sukam Financial Services Private Limited		-	-	-	3 No's	3 No's
GPS Commercial Private Limited		-	-	-	3 No's	3 No's
Sindhudurg Investments Private Limited		-	-	-	3 No's	3 No's
HI-LEA Finance Limited		-	-	-	3 No's	3 No's

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Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2024	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2024*	Balance outstanding as at March 31, 2023*
Victor Properties Private Limited		-	-	-	1 No	1 No
Aravali Commercial Private Limited		-	-	-	1 No	1 No
Mifco Credits & Securities Limited		-	-	-	1 No	1 No
Prananjali Investment & Trading Co Private Limited		-	-	-	1 No	1 No
Baps (India) Trading Private Limited	Shareholders of Andhra Cements Limited	-	-	-	1 No	1 No
Rajendra Mercantile Private Limited		-	-	-	1 No	1 No
Rohifin Investment Private Limited		-	-	-	1 No	1 No
Small Lots Services Limited		-	-	-	1 No	1 No
HPM Investments Limited		-	-	-	1 No	1 No
Balbir Leasing Private Limited		-	-	-	1 No	1 No
Kay Bee Finvest Private Limited		-	-	-	1 No	1 No

*Negative amount indicates payable.

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47. As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Group is required to use only such accounting software for maintaining its books of accounts that have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software.

In respect of the accounting software used by the Group, audit trail was not enabled at certain master tables at application level and database level to log any direct data changes. In respect of such application and database, the Group has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective. The Group is in the process of system upgradation to meet the audit trail requirements for the relevant masters at application level and database.

48. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49. Political contributions amounting to ₹ 250 (March 31, 2023: ₹ 5), which includes ₹ 250 (March 31, 2023: ₹ Nil) contributed through electoral bonds made in accordance with Section 182 of the Companies Act, 2013. The Group has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Group prior to the Hon'ble Supreme Court judgement pronounced on February 15, 2024.

50. The Parent Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the initial requirement of Minimum Public Shareholding (MPS) by ACL. Accordingly, shareholding of the Company in ACL reduced from 95% to 90%. The Company registered a short-term capital gain of ₹ 3,189 from the OFS, which was classified as 'Other Income'.

51. Exceptional item for the year ended March 31, 2024, represents impairment reversal recorded based on remeasurement of certain assets at fair value as per agreement entered by the subsidiary, Andhra Cements Limited.

52. Other statutory information

(i) The Group does not have any Benami property, nor any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Parent Company and Subsidiary Companies has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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(v) The Parent Company and Subsidiary Companies has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

53. These consolidated financial statements were approved by the Company's Board of Directors on May 14, 2024.

For and on behalf of the Board of Directors of

Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 14, 2024

NOTICE

Notice is hereby given that the 43rd Annual General Meeting of the Members of Sagar Cements Limited will be held on Wednesday, the 26th June, 2024 at 3.00 p.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited stand-alone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 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 stand-alone Financial Statements of the Company for the year ended 31st March, 2024 together with the reports of the Auditors and Directors thereon and the audited Consolidated Financial Statements of the Company for the year ended 31st March, 2024 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted."

2. To declare dividend @ ₹0.70 per share (35%) on the equity shares of the Company for the FY2024 and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that a dividend of ₹0.70 per share (35%) on the 13,07,07,548 equity shares of ₹2/- each of the Company be and is hereby declared for the Financial Year ended 31st March, 2024."

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

4. To re-appoint Shri John-Eric Bertrand (DIN: 06391176), who retires by rotation as director and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "**Resolved that** Shri John-Eric Bertrand (DIN: 06391176) 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."

SPECIAL BUSINESS

5. **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 approval accorded by the Board of Directors of the Company for payment of remuneration of ₹12,00,000/- plus reimbursement of applicable taxes, travelling and other out of pocket expenses, if any, to M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No.000042), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025 be and is hereby ratified."

6. **Re-appointment of Dr. S. Anand Reddy (DIN: 00123870) as Managing Director of the Company.**

   To consider and if thought fit, to pass the following Resolution as a Special Resolution.

   "**Resolved that** in accordance with Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013, the Rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, required from the Central Government, Financial Institutions and other authorities concerned, approval of the members be and is hereby accorded to the re-appointment of Dr. S. Anand Reddy (DIN: 00123870) as Managing Director of the Company, for a period of three years with effect from 31st October, 2024 on the following terms:

Tenure	3 years with effect from 31st October, 2024
Salary	₹ 25,00,000/- p.m.
Perquisites	In addition to salary, the Managing Director will be eligible for perks and allowances subject to a maximum of 75% of salary and these perquisites/allowances may include the following: Provision for Rent Free Accommodation or House Rent Allowance, House Maintenance and Utility Allowance. Reimbursement of hospitalisation and other medical expenses for self and family, personal accident insurance, car facility, telecommunication facility and club membership fee etc. Valuation of the above perquisites and allowances will be as per the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such rules, these perquisites and allowances will be valued at cost.
Other benefits	The Managing Director will be eligible for contribution to P.F., Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure as per the rules of the Company.
Commission	Commission @ 4% on the Net Profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof.

Other Terms	
Nature of Duties	The Managing Director shall devote his time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company and the business of its subsidiary companies, including performing duties as assigned to him from time to time by serving on the Board of the subsidiary companies or any other executive body or any committee of such Company/companies.
Termination of appointment	The appointment may be terminated by either party by giving six months' notice of such termination to the other party.

Resolved Further that consent of the members be and is hereby accorded under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for payment of the above remuneration.

Resolved Further that in the event of loss or inadequacy of profits in any financial year during the tenure of Dr. S. Anand Reddy (DIN: 00123870) as Managing Director, the above said remuneration be paid to him as the minimum remuneration under Section II (A) of Part II of Schedule V to the Companies Act 2013.

Resolved Further that the Board of Directors of the Company or a Committee thereof be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. Re-appointment of Shri S. Sreekanth Reddy (DIN: 00123889) as Joint Managing Director of the Company.

To consider and if thought fit, to pass the following Resolution as a Special Resolution.

"Resolved that in accordance with Section 196, 197 and other applicable provisions of the Companies Act, 2013, the Rules made there under as amended or re-enacted from time to time, read with its Schedule V and subject to approvals, if any, required from the Central Government, Financial Institutions and other authorities concerned, approval of the members be and is hereby accorded to the re-appointment of Shri S. Sreekanth Reddy (DIN: 00123889) as Joint Managing Director of the Company, for a period of three years with effect from 31st October, 2024 on the following terms:

Tenure	3 years with effect from 31st October, 2024
Salary	₹ 22,50,000 /- p.m.
Perquisites	In addition to salary, the Joint Managing Director will be eligible for perks and allowances subject to a maximum of 75% of salary and these perquisites/allowances may include the following: Provision for Rent Free Accommodation or House Rent Allowance, House Maintenance and Utility Allowance. Reimbursement of hospitalisation and other medical expenses for self and family, personal accident insurance, car facility, telecommunication facility and club membership fee etc. Valuation of the above perquisites and allowances will be as per the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such rules, these perquisites and allowances will be valued at cost.
Other benefits	The Joint Managing Director will be eligible for contribution to P.F., Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure as per the rules of the Company.
Commission	Commission @ 4% on the Net Profit of the Company as calculated under applicable sections of the Companies Act, 2013, for each financial year or a part thereof.
Other Terms	
Nature of Duties	The Joint Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Managing Director and or by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company and the business of its subsidiary companies, including performing duties as assigned to him from time to time by serving on the Board of the subsidiary companies or any other executive body or any committee of such Company/Companies.
Termination of appointment	The appointment may be terminated by either party by giving six months' notice of such termination to the other party.

Resolved Further that consent of the members be and is hereby accorded under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for payment of the above remuneration.

Resolved Further that in the event of loss or inadequacy of profits in any financial year during the tenure of Shri S. Sreekanth Reddy (DIN: 00123889) as Joint Managing Director, the above said remuneration be paid to him as the minimum remuneration under Section II (A) of Part II of Schedule V to the Companies Act 2013.

Resolved Further that the Board of Directors of the Company or a Committee thereof be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors

J. Raja Reddy
Company Secretary
M.No.A31113

Hyderabad
14th May, 2024

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033,
Telangana.

Notes:

1. Pursuant to General Circular number 14/2020 dt. 8.4.2020, 17/2020 dt. 13.4.2020, 20/2020 dt. 5.5.2020, 28/2020 dt. 17.8.2020, 02/2021 dt. 13.1.2021, 19/2021 dt. 8.12.2021, 21/2021 dt. 14.12.2021, 02/2022 dt. 5.5.2022, 10/2022 dated 28.12.2022 and 09/2023 dated 25.09.2023 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular no(s). SEBI/HO/CFD/CMD2/CIR/P/2022/62 dt. 13.05.2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dt. 5.1.2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dt. 07.10.2023 the companies are allowed to hold the Annual General Meeting through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with aforesaid MCA Circulars and SEBI Circulars, the 43rd Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "AGM”). In accordance with the Secretarial Standard - 2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance /Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

2. The Company has appointed M/s KFin Technologies Limited ("KFIN"), Registrar and Transfer Agent of the Company, as the authorised agency to provide the VC / OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the AGM.

3. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Further as per the MCA and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the AGM. However, in pursuance of Sections 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State, or body corporate can attend the AGM through VC / OAVM and cast their votes through e-Voting.

4. Institutional/ Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM on its behalf and to vote either through remote e-voting or during the AGM. The said Resolution/ Authorisation should be sent electronically through their registered email address to the Scrutiniser at **cs@bssandassociates.com** with a copy marked to **evoting@kfintech.com** and Company's email id at **info@sagarcements.in.**

5. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No(s). 5, 6 and 7 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 14th May, 2024 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 43rd AGM of the Company.

6. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.

7. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having office at Selenium Building, Tower B, Plot Number 31-32,

Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.

8. **Attendance at the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at **https://evoting.kfintech.com** by clicking "eAGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No.19 below. Kindly refer to Note No.18 below for detailed instructions for participating in the AGM through Video Conferencing.

9. The Members can join the AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.

10. As per the MCA Circular, facility of joining the AGM through VC / OAVM shall be available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

11. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the Act).

12. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Limited. Kindly refer Note No. 19 below for detailed instruction for remote-voting.

13. **Voting during the AGM:** Members who are present at the AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the AGM. Kindly refer Note No.20 below for instruction for e-voting during the AGM.

14. The Company has fixed 19th June, 2024 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.

15. The Register of Members and Transfer Book of the Company will be closed from 20th June, 2024 to 26th June, 2024 (both days inclusive).

16. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Integrated Report for the financial year ended 31st March, 2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice calling the AGM and the Integrated Report has been uploaded on the website of the Company at **https://sagarcements.in**. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at **https://www.bseindia.com** and National Stock Exchange of India Limited at **https://www.nseindia.com**. The same is also available on the website of KFin Technologies Limited at their website address **https://evoting.kfintech.com**.

17. **Procedure for registering the email addresses and obtaining the Integrated Report, AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).**

    i Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

    a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.

    b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail request at the email ID **einward.ris@kfintech.com** along with scanned copy of the duly signed request letter by the first holder providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Integrated Report, AGM Notice and the e-voting instructions.

ii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate /update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

18. **Instructions to the Members for attending the AGM through Video Conference.**

i. **For attending the AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may login into its website link **https://emeetings.kfintech.com/loginv2.aspx** by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.

ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No.19 below.

iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.

iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vi. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.

vii. **Submission of Questions / Queries prior to AGM:**

a) Members desiring any additional information with regard to Accounts / Integrated Report or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., **info@sagarcements.in** and marking a copy to **evoting@kfintech.com** mentioning their name, DP ID and Client ID / Folio number at least 2 days before the date of the AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.

b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link **https://emeetings.kfintech.com/loginv2.aspx**, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.

viii. **Speaker Registration before AGM:** In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit **https://emeetings.kfintech.com/loginv2.aspx** and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No.18 (vii) above.

ix. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to **info@sagarcements.in.**

19. **Instructions for members for remote e-Voting:**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Limited ('remote e-voting'). Members attending the AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

i. The remote e-voting facility will be available during the following period:

a. Day, date and time of commencement of remote e-voting Saturday, 22nd June, 2024 (9.00 A.M. IST) and ends on Tuesday, 25th June, 2024 (5.00 P.M. IST).

b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed Tuesday, 25th June, 2024 at 5:00 P.M.

ii. Details of Website: **https://evoting.kfintech.com**

iii. The voting rights of the Members holding shares in physical form or in dematerialised form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being 19th June, 2024. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Integrated Report to the shareholders whose name is recorded as on 31st May, 2024 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 31st May, 2024 being the date reckoned for sending through email, the AGM Notice & Integrated Report and who holds shares as on the cut-off date i.e. 19th June, 2024 may obtain the User Id and password in the manner as mentioned below:

a) If the mobile number of the Member is registered against Folio No. / DP ID and Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DP ID and Client ID to +91-9212993399.

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE>XXXX1234567890

b) If e-mail address or mobile number of the Member is registered against Folio No. / DP ID and Client ID, then on the home page of **https://evoting.kfintech.com,** the Member may click "Forgot Password" and enter Folio No. Or DP ID and Client ID and PAN to generate a password.

c) Member may call KFin's Toll free number 1800-3094-001. Member may also send an e-mail request to **evoting@kfintech.com.**

v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Limited upon expiry of aforesaid period.

vi. **Details of persons to be contacted for issues relating to e-voting:**

Mr. K.Raj Kumar, Assistant Vice President - Corporate Registry, KFin Technologies Limited, Unit: Sagar Cements Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 1800-3094-001.

vii. **Details of Scrutiniser:** Shri S. Srikanth, Partner, representing M/s. B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinisers to scrutinise the e-voting process in a fair and transparent manner.

viii. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

ix. The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' Section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" Click on Company name or e-voting service provider and you will be re-directed to e-voting service provider's website for casting the vote during the remote e-voting period. **2. User not registered for IDeAS e-Services** To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** Open URL: https://www.evoting.nsdl.com Click on the icon "Login" which is available under 'Shareholder/Member's Section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will requested to select the name of the Company and the e-voting Service Provider's name, i.e. KFintech. On successful selection, you will be redirected to KFintech's e-voting page for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login Or URL: https://www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech's e-voting portal. Click on e-Voting service provider's name to cast your vote. **2. User not registered for Easi/Easiest** Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration Proceed with completing the required fields. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. **KFintech** where the e-voting is in progress.

Individual Shareholders login through their demat accounts / Website of Depository Participant	You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against Company name or e-voting service provider's name - KFintech and you will be redirected to e-voting website of KFintech for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022-23058738 or 022-23058542-43

ix. **The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:**

a. Open your web browser during the remote e-voting period and navigate to **https://evoting.kfintech.com**.

b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID and Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

c. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

d. You need to login again with the new credentials.

e. On successful login, the system will prompt you to select the e-voting Event Number for Sagar Cements Limited.

f. If you are holding shares in Demat form and had logged on to **https://evoting.kfintech.com** and casted your vote earlier for any other Company, then your existing login id and password are to be used.

g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., 19th June, 2024 under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date.

h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

i. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.

l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).

m. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: **cs@bssandassociates.com** with a copy to **evoting@kfintech.com** and **info@sagarcements.in.** They shall upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

   In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of **https://evoting.kfintech.com** or contact Mr. K. Raj Kumar, Assistant Vice President of KFin Technologies Limited at 1800- 3094-001 (toll free).

n. The Scrutiniser's decision on the validity of the vote shall be final.

o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM, however such Member shall not be allowed to vote again during the AGM.

p. The Scrutiniser shall, immediately after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM, and thereafter unlock the votes cast through remote e-Voting, and shall make a consolidated scrutiniser's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall, then, be sent to the Chairman or a person authorised by him, within two working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

q. The Results declared along with the consolidated Scrutiniser's Report shall be hosted on the website of the Company i.e. **https://sagarcements.in** and on the website of KFin Technologies Limited i.e. **https://evoting.kfintech.com**. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited at **https://www.nseindia.com** and **https://www.bseindia.com** respectively, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

20. **Instructions for members for Voting during the AGM session**

    i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the AGM.

    ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the AGM.

    iii. Members / shareholders, attending the AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the AGM.

    iv. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they shall not be allowed to cast their vote again during the AGM.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

21. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by June 30, 2023. Shareholders holding shares in physical mode are requested to ensure that their PAN is linked to Aadhar by June 30, 2023 or any other date as may be specified by the CBDT.

    The folios in which PAN is / are not valid as on the notified cut-off date of October 1, 2023 or any other date as may be specified by the CBDT, shall also be frozen by the RTA and shareholders will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend after April 1, 2024.

22. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: **https://smartodr.in/login**. Members may feel free to utilise this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

    The shareholders are requested to update their PAN with the Company / KFin Technologies Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **info@sagarcements.in** by 5.00.p.m IST on 19th June, 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.p.m IST on 19th June, 2024.

    The requisite Tax Exemption forms can be downloaded from the website of the our Registrar and Share Transfer Agent i.e., KFin Technologies Limited at **https://kprism.kfintech.com**.

24. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

    The Members / claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on **https://www.iepf.gov.in/IEPF/corporates.html)** along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

25. Members who have not yet encashed the dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company or Company's Registrar and Share Transfer Agent.

Year	Nature of Dividend	Face value of equity share	Rate of Dividend per share
2016-17	Final	₹ 10/-	15% (₹1.50 per share)
2017-18	Interim	₹ 10/-	25% (₹2.50 per share)
2017-18	Final	₹ 10/-	15% (₹1.50 per share)
2018-19	Final	₹ 10/-	25% (₹2.50 per share)
2019-20	Final	₹ 10/-	25% (₹2.50 per share)
2020-21	Interim	₹ 10/-	20% (₹2.00 per share)
2020-21	2nd Interim	₹ 10/-	20% (₹2.00 per share)
2020-21	Final	₹ 10/-	25% (₹2.50 per share)
2021-22	Final	₹ 2/-	35% (₹0.70 per share)
2022-23	Final	₹ 2/-	35% (₹0.70 per share)

26. The details of dividend lying unclaimed in respect of these years are available in the website of the Company at **https://sagarcements.in** and website of the Ministry of Corporate Affairs at **https://www.iepf.gov.in.** Members are requested to contact KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company at the address mentioned in Note No. 7 to claim the unclaimed / unpaid dividends.

    It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company up to the Interim Dividend issued for the financial year 2015-2016, have already been transferred to IEPF.

27. The dividend(s), if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid to the eligible members as per the mandate registered with the Company or with their respective Depository Participants.

28. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant / Bankers' cheque / demand draft as the case may be to such Member.

29. The Company has fixed 19th June, 2024 as the 'Record Date' for determining entitlement of members to the dividend of ₹ 0.70 per share for the financial year ended 31st March, 2024, if approved at the ensuing AGM.

30. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within 30 days from the date of AGM, subject to deduction of tax at source, as under:

    i. To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on 19th June, 2024.

    ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on 19th June, 2024.

31. **Updation of Members' details:** Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, Company / Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFintech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

    SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, May 17, 2023 and November 17, 2023) and the FAQ released by SEBI, the Shareholders holding shares in physical form and who have not updated their KYC details (viz., PAN (Aadhar seeded); Choice of Nomination; Contact Details; Mobile Number; Bank Account Details and signature) against their folio(s) with KFin Technologies Limited, Registrar and Transfer Agent of the Company ("RTA"), their dividend shall be withheld by the Company from April 01, 2024 and the same shall be immediately released electronically, upon updation of KYC.

    SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFin Technologies Limited.

    Members are requested to note that, in order to avoid any loss / interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS), they should update their NECS / ECS details with the Company's Registrar and Share Transfer Agents i.e., KFin Technologies Limited (for the shares held in physical form) and their respective Depository Participants (for the shares held in electronic form).

    Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 7.

    Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 7.

    The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at **https://sagarcements.in/investors/formats-for-updation-of-kyc-nomination-and-signature** & also from the website of its Registrar and Share Transfer Agents i.e., KFin Technologies Limited at **https://ris.kfintech.com/clientservices/isc/isrforms.aspx**.

    Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

32. The members / investors may send their complaints / queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: **einward.ris@kfintech.com** or to the Company's official e-mail id: **info@sagarcements.in**.

33. The information / documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before 19th June, 2024 through email to **info@sagarcements.in** for seeking information, If any, and the same will be replied by the Company suitably.

34. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

35. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialised form only (vide Gazette Notification No. SEBI/LADNRO/GN/2022/66 dated 24th January, 2022 and its circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, renewal, exchange, endorsement, sub-division, consolidation, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. The Members who are desirous to convert their physical holdings into dematerialised form, may contact the Depository Participant of their choice for dematerialising the same. Members may also contact the Company or its Registrars and Transfer Agents, KFin Technologies Limited (KFINTECH) for assistance in this regard.

36. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation in lieu of consolidated share certificate will be issued to such Members after making the requisite changes for dematerialising said shares.

37. Members may note that the Integrated Report for the year 2023-24 is also available on the Company's website **https://sagarcements.in** for their download.

38. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 43rd AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.

39. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.

40. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

41. During the 43rd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC / OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC / OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the AGM.

42. The transcript of this meeting, shall be made available on the website of the Company.

43. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company at **https://sagarcements.in** and on the website of KFin Technologies Limited at **https://evoting.kfintech.com** immediately after the declaration of Results by the Chairman or a person authorised by him. The results shall also be immediately forwarded to National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai.

44. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

By Order of the Board of Directors

J. Raja Reddy
Company Secretary

M.No.A31113

Hyderabad
14th May, 2024

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Annexure to the Notice of the 43rd 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 No.5 to 7 of the accompanying Notice dated 14th May, 2024.

On Item No. 5

The Board, on the recommendation of its Audit Committee, has approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants as the Cost Auditors for the Financial Year 2024-25 and payment of remuneration to the said Cost Auditors as mentioned in the resolution for the year 2024-25.

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, an Ordinary Resolution as set out at Item No.5 of the Notice containing the remuneration as fixed for Cost Auditors is submitted for ratification by 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.

Your directors recommend the resolution for approval of the shareholders.

On Item No. 6

The current tenure of Dr. S. Anand Reddy as Managing Director will be coming to a close on 30th October, 2024. Pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, Dr. S. Anand Reddy, as Managing Director was re-appointed by the Board on 14th May, 2024 to hold the said office for a period of 3 years w.e.f. 31st October, 2024, on a remuneration and other terms as detailed in the resolution. This appointment needs further approval of the shareholders. Under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the aggregate of the annual remuneration payable to all the Executive Directors, who are promoters or members belonging to the promoter group, exceeds 5% of the net profits, the payment of the same requires approval of the shareholders by way of a special resolution. As the remuneration proposed for Dr. S. Anand Reddy, a promoter is likely to exceed the said limit, approval of the shareholders being sought for payment of the same through a special resolution. Dr. S. Anand Reddy has been associated with the Company for nearly 31 years as its whole-time director. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the Company.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I General Information

(1) Nature of Industry: Cement

(2) Date of commencement of commercial production: 26.01.1985

(3) In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus: Not applicable

(4) Financial performance based on given indicators

₹ in Lakhs

Description	2023-24	2022-23
Income	1,96,146	2,19,040
Profit before Interest Depreciation & Tax	23,661	37,507
Profit after Tax	3,117	7,353

(5) Export performance and net foreign exchange earnings: Nil

(6) Foreign investments or collaborators, if any: Foreign Investments held in the Company as on 31.03.2024 are as under:

Particulars	No.of Equity Shares of ₹ 2/- each
Foreign Portfolio Investors	35,35,919
NRIs	8,34,715
Total (3.34% of the paid-up capital)	**43,70,634**

There are no foreign collaborators.

II	Information about the appointee		
	(1)	Background details	Dr. S. Anand Reddy, aged 59, is an M.B.B.S. graduate. He is one of the members of the promoter group. He has been a member of the Board since 23rd November, 1991. He was appointed as a whole-time director with the designation, Director (Marketing & Projects) w.e.f. 21st November 1992. Later, in the year 2008, he was appointed as Joint Managing Director. He was appointed by the Board as Managing Director on 29th October, 2018 and re-appointed by the Board on 27th October, 2021 in the current position and later approved by shareholders. He has been re-appointed by the Board in the current position on 14th May, 2024, which is subject to approval of the shareholders.
	(2)	Past remuneration	₹ 3,71,50,000/- was paid during the FY2024 including commission.
	(3)	Recognition or awards	-
	(4)	Job profile and suitability	The Managing Director devotes his whole time and attention to the business of the Company and carries out such duties as may be entrusted to him by the Board from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company. Currently, he is looking after the overall day to day affairs of the Company along with the other whole-time director of the Company. He is also on the Board of the Company's subsidiaries viz., Andhra Cements Limited as Managing Director and Sagar Cements (M) Pvt. Limited as Director, from where he draws no remuneration. **Suitability:** Dr. S. Anand Reddy, was instrumental in carrying out the expansion of the Company's plants at its various stages. The Company needs an experienced person to co-ordinate the operations of the plant and implement its further expansions. Commercial acumen and the overall experience already gained by Dr. S. Anand Reddy in running the Company's plant and its marketing operations as Managing Director makes him highly suitable for the proposed re-appointment.
	(5)	Remuneration proposed	As detailed in the resolution
	(6)	Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Dr. S. Anand Reddy is more or less in line with the remuneration prevailing in the companies of similar size in the cement industry.
	(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Dr. S. Anand Reddy is related to Shri S. Sreekanth Reddy, Joint Managing Director and Mrs. S. Rachana, Non-Executive Director of the Company and all these three directors are part of promoter group. He is holding 73,04,745 (5.59%) equity shares in the Company in his individual capacity.

III		Other Information	
	(1)	Reasons for loss or inadequate profits	The Company did not incur any loss in the year 2023-24 and barring unforeseen circumstances, there is no likelihood of the Company incurring any loss during his proposed tenure as the Managing Director
	(2)	Steps taken or proposed to be taken for improvement	The infrastructure and construction industries, which are the main drivers for cement industry are expected to get further boost in the coming years with the Governments' continuous thrust to these sectors. These will hopefully further increase the demand for cement which will put the performance of the Company on a stronger position particularly in the context of its aggressive growth plans.
	(3)	Expected increase in productivity and profits in measurable terms	
IV		Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013	This has been provided in the Annexure-2 to the Notice of the AGM

As the resolution relates to the re-appointment of Dr. S. Anand Reddy as Managing Director and payment of remuneration to him, to that extent he along with Shri S. Sreekanth Reddy and Mrs. S. Rachana, who are the other directors related to him, may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Board is of the firm view that it would be in the interest of the Company that Dr. S. Anand Reddy, be re-appointed as Managing Director and accordingly it commends the resolution for approval of the shareholders.

On Item No.7

The current tenure of Shri S. Sreekanth Reddy as Joint Managing Director will be coming to a close on 30th October, 2024. Pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, Shri S. Sreekanth Reddy was re-appointed as Joint Managing Director by the Board on 14th May, 2024 to hold the said office for a period of 3 years w.e.f. 31st October 2024 on a remuneration and other terms as detailed in the resolution. This appointment needs further approval of the shareholders. Under Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the aggregate of the annual remuneration payable to all the Executive Directors, who are promoters or members belonging to the promoter group, exceeds 5% of the net profits, the payment of the same requires approval of the shareholders by way of a special resolution. As the remuneration proposed for Shri S. Sreekanth Reddy, a promoter is likely to exceed the said limit, approval of the shareholders being sought for payment of the same through special resolution. Shri S. Sreekanth Reddy has been associated with the Company for nearly 28 years as its whole-time director. The Company has immensely benefited from his business acumen, technical knowledge and leadership qualities.

The statement containing information required to be furnished under Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I General Information

(1) Nature of Industry: Cement

(2) Date of commencement of commercial production: 26th January, 1985

(3) In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus: Not applicable

(4) Financial performance based on given indicators

₹ in Lakhs

Description	2023-24	2022-23
Income	1,96,146	2,19,040
Profit before Interest Depreciation & Tax	23,661	37,507
Profit after Tax	3,117	7,353

(5) Export performance and net foreign exchange earnings: Nil

(6) Foreign investments or collaborators, if any: Foreign Investments held in the Company as on 31.03.2024 are as under:

Particulars	No.of Equity Shares of ₹ 2/- each
Foreign Portfolio Investors	35,35,919
NRIs	8,34,715
Total (3.34% of the paid-up capital)	**43,70,634**

There are no foreign collaborators.

II	Information about the appointee		
	(1)	Background details	Shri S. Sreekanth Reddy, aged 52, is a graduate in Industrial Engineering and holding a post graduate diploma in cement technology. He is one of the members of the promoter group. He joined the Board on 26th June, 2003, as technical director. Later, in the year 2008, he was appointed as Executive Director. He was appointed by the Board as Joint Managing Director on 29th October, 2018 and re-appointed by the Board on 27th October, 2021 in the current position and later approved by shareholders. He has been re-appointed in the current position by the Board on 14th May, 2024, which is subject to approval of the shareholders.
	(2)	Past remuneration	₹ 3,40,00,000/- was paid during the FY2024 including commission.
	(3)	Recognition or awards	-
	(4)	Job profile and suitability	The Joint Managing Director devotes his whole time and attention to the business of the Company and carries out such duties as may be entrusted to him by the Managing Director and by the Board from time to time and exercises such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company. Currently, he is looking after the overall day to day affairs of the Company along with the Managing director of the Company. He is also on the Board of the Company's subsidiaries viz., Andhra Cements Limited and Sagar Cements (M) Pvt. Limited as a Non-Executive Director and from both these subsidiaries, he draws no remuneration. **Suitability:** Shri S. Sreekanth Reddy, was instrumental in carrying out the expansion of the Company's plants at its various stages. The Company needs an experienced cement technologist to co-ordinate the operations of the plants and foresee their future expansion. Commercial acumen and the experience already gained by Shri S. Sreekanth Reddy in this area as Joint Managing Director makes him suitable for the proposed re-appointment.
	(5)	Remuneration proposed	As detailed in the resolution
	(6)	Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration being proposed to be paid to Shri S. Sreekanth Reddy is more or less in line with the remuneration prevailing in the companies of similar size in the cement industry.
	(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Shri S. Sreekanth Reddy is related to Dr. S. Anand Reddy, Managing Director and Mrs. S. Rachana, Non-Executive Director of the Company and all these three directors form part of the promoter group. He is holding 69,69,140 (5.33%) equity shares in the Company in his individual capacity.

III	Other Information		
	(1)	Reasons for loss or inadequate profits	The Company did not incur any loss in the year 2023-24 and barring unforeseen circumstances, there is no likelihood of the Company incurring any loss during his proposed tenure as the Joint Managing Director.
	(2)	Steps taken or proposed to be taken for improvement	The infrastructure and construction industries, which are the main drivers for cement industry are expected to get further boost in the coming years with the Government's continuous thrust to these sectors. These will hopefully further increase the demand for cement, which will put the performance of the Company on a stronger position particularly in the context of its aggressive growth plans.
	(3)	Expected increase in productivity and profits in measurable terms	
IV	Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013		This has been provided in the Annexure-2 to the Notice of the AGM

As the resolution relates to the re-appointment of Shri S. Sreekanth Reddy as Joint Managing Director and payment of remuneration to him, to that extent he along with Dr. S. Anand Reddy and Mrs. S. Rachana, who are the other directors related to him, may be deemed to be interested in the resolution.

None of the other directors or Key Managerial Personnel (KMP) or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

Your Board is of the firm view that it would be in the interest of the Company that Shri S. Sreekanth Reddy be re-appointed as Joint Managing Director and accordingly it commends the resolution for approval of the shareholders.

By Order of the Board of Directors

J.Raja Reddy
Company Secretary
M.No.A31113

Hyderabad
14th May, 2024

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033,
Telangana.

ANNEXURE 2

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Name of the Director	Dr. S. Anand Reddy	Shri S. Sreekanth Reddy	Shri John-Eric Bertrand
DIN	00123870	00123889	06391176
Date of birth	10th June 1964	27th August, 1971	16th November, 1977
Age	59 years	52 years	46 years
Qualification	M.B.B.S.	B.E. (I & P) and PG Diploma in cement technology	University of Louvain (UCL) Master in International Management Community of European Management Schools (CEMS) Master in Business Administration (MBA), INSEAD
Experience in specific functional areas	Corporate Executive	Corporate Executive	Investment Manager
Date of first appointment on the Board	23rd November, 1991	26th June, 2003	17th October, 2012
Nature of Appointment	Retires by rotation and being eligible offers himself for re-appointment and Re-appointment as Managing Director	Retires by rotation and being eligible offers himself for re-appointment and Re-appointment as Joint Managing Director	Retires by rotation and being eligible offers himself for re-appointment
Terms and Conditions of Appointment / Reappointment	Appointment as a director subject to retire by rotation under Section 152 of the Companies Act, 2013 and Re-appointment as Managing Director on the terms and conditions as detailed in Resolution No. 6.	Re-appointment as Joint Managing Director on the terms and conditions as detailed in Resolution No. 7.	Appointment as a director subject to retire by rotation under Section 152 of the Companies Act, 2013

Name of the Director	Dr. S. Anand Reddy	Shri S. Sreekanth Reddy	Shri John-Eric Bertrand
Directorships in other Companies (other than listed companies)	1. Sagar Power Ltd. 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Super Hydro Electric Pvt. Ltd. 4. Sagar Cements (M) Pvt. Ltd.	1. Sagar Power Ltd. 2. Sagar Priya Housing & Industrial Enterprises Ltd. 3. Sree Venkateswara Winery & Distillery Pvt. Ltd. 4. Super Hydro Electric Pvt. Ltd. 5. Sagar Cements (M) Pvt. Ltd.	AvH Resources India Pvt. Ltd.
Directorships in other Listed Companies	Andhra Cements Ltd.	1. Sagarsoft (India) Limited 2. Andhra Cements Limited	-
Names of Listed Companies from which he has resigned in the past three years	NA	NA	NA
Membership/Chairmanship of Committees of other Boards	Member in Stakeholders Relationship Committee of Andhra Cements Ltd.	Andhra Cements Ltd. – As Chairman Risk Management Committee Andhra Cements Ltd. – As Member Audit Committee and Nomination and Remuneration Committee	Nil
Membership of Audit / Stakeholders Relationship Committees of Public Limited Companies	Chairman of the Audit Committee in Sagar Power Ltd.	Member of Audit Committee in Sagar Cements (M) Pvt. Ltd.	Nil
No. of shares held including shareholding as a beneficial owner in Sagar Cements Limited	73,04,745 (5.59%)	69,69,140 (5.33%)	Nil
Number of Board Meetings attended	6	6	6 (4 Board Meetings attended by Mr. Van Nieuwenborgh Jens Alternate Director to John-Eric Bertrand)
Details of Remuneration last drawn	An amount of ₹ 3,71,50,000/- was paid towards remuneration as Managing Director during the FY2024 including commission.	An amount of ₹ 3,40,00,000/- was paid towards remuneration as Joint Managing Director during the FY2024 including commission.	No remuneration was paid except the sitting fee
Remuneration sought to be paid	As mentioned in Resolution seeking his re-appointment	As mentioned in Resolution seeking his re-appointment	No remuneration is proposed over and above the sitting fee

Name of the Director	Dr. S. Anand Reddy	Shri S. Sreekanth Reddy	Shri John-Eric Bertrand
Inter-se relationship with other Directors, Managers and KMP of the Company	Related to Shri S. Sreekanth Reddy, Joint Managing Director and Mrs. S. Rachana, Non-Executive Director	Related to Dr. S. Anand Reddy, Managing Director and Mrs. S. Rachana, Non-Executive Director	None
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Dr. S. Anand Reddy as Managing Director in the Company since 2018 and having ample experience in the Cement Industry. The Company believes that his skills, knowledge and experience on the Board will complement the effective functioning of the Company.	Dr. S. Sreekanth Reddy holds PG Diploma in cement technology and having ample experience in the Cement Industry. The Company believes that his knowledge and experience on the Board will complement the effective functioning of the Company.	John-Eric Bertrand is expertise in Financial, Governance and Compliance.
Information as required pursuant to BSE Circular no. LIST/COMP/14/2018-19 and Circular of National Stock exchange of India Limited having Ref No. NSE/CML/2018/24 dated 20th June, 2018.	We affirm that Dr. S. Anand Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Dr. S. Anand Reddy is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Mr. S. Sreekanth Reddy is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Mr. S. Sreekanth Reddy is not debarred from holding the office of director pursuant to any SEBI Order.	We affirm that Mr. John-Eric Bertrand is not debarred from holding the office of director by virtue of any order of SEBI or any other such authority. Nomination and Remuneration Committee and the Board of directors of the Company has also verified that Mr. John-Eric Bertrand is not debarred from holding the office of director pursuant to any SEBI Order.

By Order of the Board of Directors

Hyderabad
14th May, 2024

J.Raja Reddy
Company Secretary

M.No.A31113

Registered Office:
Plot No. 111, Road No. 10
Jubilee Hills, Hyderabad – 500 033,
Telangana.

Corporate information

Board Of Directors

Shri. K. V. Vishnu Raju
Chairman and Independent Director

Shri. Ravichandran Rajagopal
Independent Director

Smt. O. Rekha
Independent Director

Smt. N. Sudha Rani
Nominee Director

Shri. Madhavan Ganesan
Nominee Director

Shri. John-Eric Bertrand
Non-executive Director

Shri. Jens Van Nieuwenborgh
Alternate Director

Smt. S. Rachana
Non-executive Director

Dr. S. Anand Reddy
Managing Director

Shri. S. Sreekanth Reddy
Joint Managing Director

Company Secretary

Shri. J. Raja Reddy

Chief Financial Officer

Shri. K. Prasad

Senior Management Team

Shri. K. Ganesh
Group President

Shri. Rajesh Singh
Chief Marketing Officer

Shri. O. Anji Reddy
Chief Sustainability Officer

Shri Sanjay Singh
Senior General Manager (F&A) and
Chief Risk Officer

Shri M. V. Ramana Murthy
Sr. Vice President – Mattampally

Shri. E. P. Ranga Reddy
Asst. Vice President – Gudipadu

Shri Ch. Subba Rao
Vice President – Dachepalli

Shri Niraj Kumar Shrivastava
Vice President – Jeerabad

Shri. K. Srinivasa Rao
Sr. General Manager – Bayyavaram

Shri G Prasad Babu
Deputy General Manager – Jajpur

Auditors

M/s. Deloitte Haskins & Sells
Chartered Accountants (FR NO. 008072S)
KRB Towers, Plot No. 1 to 4 & 4A,
2nd & 3rd Floor Jubilee Enclave,
Madhapur, Hyderabad – 500 081

Cost Auditors

M/s. Narasimha Murthy & Co.,
Cost Accountants (FR No. 000042)
104, Pavani Estates, Y. V. Rao Mansion
Himayatnagar, Hyderabad – 500 029

Registered Office

Plot No. 111, Road No. 10, Jubilee Hills
Hyderabad – 500 033.
Tel: 040 – 23351571
Fax: 040 – 23356573
Website: www.sagarcements.in
e-mail: info@sagarcements.in

Corporate Identity Number
L26942TG1981PLC002887

Bankers

SBI
YES BANK
FEDERAL BANK
AXIS BANK
HDFC BANK
IFC

Debenture Trustee

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001,
Maharashtra.

Plants

Cement Plants

1. Mattampally, Via Huzurnagar
   Suryapet District,
   Telangana – 508 204
   Tel: 08683 – 247039
2. Gudipadu, Gudipadu Village and Post
   Yadaki Mandal, Ananthapur District,
   Andhra Pradesh – 515408
   Tel: 08558 – 200272
3. Durgapuram, Srinagar Post,
   Dachepalli Mandal, Palnadu District,
   Andhra Pradesh – 522414.
4. Karondiya (Village),
   Post-Jeerabad, Tehsil-Gandhwani,
   Dhar District,
   Madhya Pradesh – 454446.
5. Bayyavaram Village,
   Kasimkota Mandal
   Visakhapatnam District,
   Andhra Pradesh – 531031
   Tel: 08924 – 244098 / 244550
6. Kalinga Nagar Industrial Complex,
   Tehsil-Dangadi, Jajpur District,
   Odisha – 75502

Hydel Power Units:

1. Guntur Branch Canal Hydel Project
   Tsallagundla Adda Road,
   Nekarikallu Mandal Guntur District,
   Andhra Pradesh – 522 615
2. Lock-in-Sula Hydel Project
   Banumukkala Village,
   Banakacherla Regulator
   Pamulapadu Mandal, Kurnool District,
   Andhra Pradesh – 518 422

SAGAR
CEMENT

Sagar Cements Limited

Registered and Administrative Office
Plot No. 111, Road No. 10
Jubilee Hills, Hyderabad - 500 033
Phone: +91 40 23351571
Fax: +91 40 23356573

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