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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, was 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.

Key Audit Matter	Auditor's Response
Revenue recognition – Price Equaliser Discounts (Refer Note 38 of the standalone financial statements) ▪ Revenue is measured net of price equaliser discounts. ▪ Due to the Company's presence across different marketing regions within the country and the competitive business environment, price equaliser discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which reports are collated periodically by the management and are prone to compilation errors. ▪ Therefore, there is a risk of revenue being misstated as a result of incorrect computation of price equaliser discounts.	**Principal audit procedures performed:** ▪ Assessed the appropriateness of the Company's accounting policies relating to Price Equaliser discounts by comparing with Ind AS 115. ▪ Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes relating to price equaliser discounts. ▪ Obtained and inspected, on a sample basis, supporting documentation for price equaliser discounts recorded and credit notes issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately. ▪ Compared the historical trend of price equaliser discounts to sales made to identify outliers and held inquiries with the management on the appropriateness of current year's discount.

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 Management Discussion & Analysis, Board's 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 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.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

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

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

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

iv. a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 6 to the standalone 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 it's knowledge and belief, as disclosed in the note 51(iv) to the standalone 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 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. The dividend proposed is in accordance with section 123 of the Act, as applicable.

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)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 22201193AIUBQK2310)

Place: Hyderabad
Date: May 11, 2022

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Sagar Cements Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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.

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

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 22201193AIUBQK2310)

Place: Hyderabad
Date: May 11, 2022

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 programme of verification of property, plant and equipment, Capital work-in-progress and right-of-use of assets so to cover all the items once every 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 programme, 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 sale 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 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.

(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, 2022 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 the 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 procedures performed as applicable, 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 points of time during the year, from banks or financial institutions 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/other receivables 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:

(a) The Company has made investment, provided loans, guarantee and security during the year and details of which are given below:

(₹ Lakhs)

Particulars	Investment	Loans	Guarantees	Security
Aggregate amount granted / provided during the year:				
- Subsidiaries	4,524	54,613	6,000	900
Balance outstanding as at Balance Sheet date in respect of the above case:				
- Subsidiaries	27,749	51,413	37,000	8,788

The Company has not provided any advances in the nature of loans to any to other entity during the year

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned 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 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 by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the 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 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, 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) (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, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount Unpaid (₹ Lakhs)	Amount paid under protest (₹ Lakhs)	Period(s) to which the amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	260	46	2011-12 to 2013-14	CESTAT
		222	1,601	2010-11 to 2017-18	Commissioner of Appeals
		41	-	2014-15 to 2015-16	Assistant Commissioner
Sales Tax and VAT laws	Sales Tax and VAT	15	5	1999-2000	Sales Tax Appellate Tribunal
		87	-	2008-09 to 2010-11	High Court of Telangana and Andhra Pradesh
		157	52	2017-18 to 2018-19	
Central Goods & Services Tax, 2017	GST	7	-	2017-18	Superintendent of Central Tax
Customs Act, 1962	Customs Duty	301	4	2011-12 to 2012-13	CESTAT
Income Tax Act, 1961	Income Tax	28	-	2009-10 to 2010-11	Income Tax Appellate Tribunal
		1,739	160	2011-12 to 2012-13	Commissioner of Income Tax (Appeals)
		1,904	-	2015-16 to 2016-17	
Local Areas Act, 2001	Entry Tax	7	4	2012-13 to 2015-16	Additional Divisional Commissioner, Rural Division, Hyderabad
		87	28	2016-17 to 2017-18	High Court of Telangana and Andhra Pradesh

(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 (full or partly or optionally) and hence reporting under clause (x)(b) of Order is not applicable.

(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 upto 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 2021 and the final internal audit report where issued after the balance sheet date covering the period January 2022 to March 2022 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.

(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)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 22201193AIUBQK2310)

Place: Hyderabad
Date: May 11, 2022

Balance Sheet

as on March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note	As at March 31, 2022	As at March 31, 2021 *
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,19,588	1,18,177
(b) Capital work-in-progress	43	2,936	2,844
(c) Goodwill	40	3,873	3,873
(d) Intangible assets			
(i) Mining rights	3	2,186	2,354
(ii) Other intangible assets	3	32	32
(e) Right of use assets	4	292	59
(f) Financial assets			
(i) Investments	5	28,473	23,888
(ii) Loans	6	51,413	2,500
(iii) Other financial assets	7	1,574	1,468
(g) Income tax assets (net)	28	463	450
(h) Other non-current assets	8	2,860	1,327
Total Non-current assets		**2,13,690**	**1,56,972**
Current assets			
(a) Inventories	9	17,372	12,428
(b) Financial assets			
(i) Trade receivables	10	12,411	10,074
(ii) Cash and cash equivalents	11	14,047	21,438
(iii) Bank balances other than cash and cash equivalents	12	1,622	1,276
(iv) Other financial assets	7	2,278	329
(c) Other current assets	8	8,109	5,595
Total Current assets		**55,839**	**51,140**
TOTAL ASSETS		**2,69,529**	**2,08,112**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,350	2,350
(b) Other equity	14	1,27,061	1,17,144
Total Equity		**1,29,411**	**1,19,494**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	58,916	23,110
(ia) Lease liabilities	35	166	42
(ii) Other financial liabilities	16	6,806	7,391
(b) Provisions	17	728	613
(c) Deferred tax liabilities (net)	28	9,769	6,804
(d) Other non-current liabilities	19	229	229
Total Non-current liabilities		**76,614**	**38,189**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	30,164	16,845
(ia) Lease liabilities	35	154	24
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		60	17
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,153	22,773
(iii) Other financial liabilities	16	1,663	783
(b) Provisions	17	301	437
(c) Income tax liabilities (net)	28	1,275	1,164
(d) Other current liabilities	19	10,734	8,386
Total Current liabilities		**63,504**	**50,429**
Total Liabilities		**1,40,118**	**88,618**
Total Equity and Liabilities		**2,69,529**	**2,08,112**
Corporate information and significant accounting policies	1		

* Refer Note 40

See accompanying notes forming part of the Standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No. 201193

Place: Hyderabad
Date: May 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021 *
I	Revenue from operations	20	1,56,786	1,37,488
II	Other income	21	2,691	854
III	**Total Income (I + II)**		**1,59,477**	**1,38,342**
IV	**Expenses**			
	(a) Cost of materials consumed	22	25,556	19,710
	(b) Purchases of stock-in-trade	23A	2,017	2,028
	(c) Changes in inventories of finished goods and work-in-progress	23B	(3,447)	2,236
	(d) Employee benefit expenses	24	8,101	7,624
	(e) Finance costs	25	6,934	4,607
	(f) Depreciation and amortisation expense	26	8,035	8,057
	(g) Power and fuel expenses		48,352	26,143
	(h) Freight and forwarding		27,253	23,422
	(i) Other expenses	27	20,345	16,110
	Total Expenses		**1,43,146**	**1,09,937**
V	**Profit before tax (III - IV)**		**16,331**	**28,405**
VI	**Tax expense**			
	(a) Current tax	28	3,056	4,229
	(b) Deferred tax	28	2,897	5,250
	Total Tax expense		**5,953**	**9,479**
VII	**Profit after tax (V - VI)**		**10,378**	**18,926**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit and loss			
	(a) Remeasurement of the defined benefit plan	33	195	11
	(ii) Income tax relating to items that will not be reclassified to profit and loss	28	(68)	(4)
	Other comprehensive income for the year, net of tax		**127**	**7**
IX	**Total comprehensive income (VII + VIII)**		**10,505**	**18,933**
X	**Earnings per share (Face value of ₹ 2 each (March 31, 2021: Face value of ₹ 2 each) (Refer Note 13(a))**			
	Basic and Diluted	36	8.83	16.36
	Corporate information and significant accounting policies	1		
	* Refer Note 40			
	See accompanying notes forming part of the Standalone financial statements			

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Firm Registration No. 008072S

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Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Statement of Changes in Equity

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance at March 31, 2020	2,228
Changes in equity share capital during the year (Refer Note 44(a))	122
Balance at March 31, 2021	**2,350**
Changes in equity share capital during the year (Refer Note 13(a))	-
Balance at March 31, 2022	**2,350**

B. Other equity

Particulars	Reserves and surplus				Other items of other comprehensive income	Money received against share warrants	Total other equity
	Capital reserve	Securities premium account	General reserve	Retained earnings			
Balance as at March 31, 2020	**35**	**45,507**	**3,598**	**49,839**	**(192)**	**2,236**	**1,01,023**
Effect of business combination (Refer Note 40)	-	-	-	(7,839)	(29)	-	(7,868)
Profit for the year	-	-	-	18,926	-	-	18,926
Dividend on equity shares (Refer Note 39)	-	-	-	(1,528)	-	-	(1,528)
Other comprehensive income for the year (net of tax ₹ 4)	-	-	-	-	7	-	7
Money received against share warrant (Refer Note 44(a))	-	-	-	-	-	6,706	6,706
Allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	-	-	-	-	(122)	(122)
Premium on allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	8,820	-	-	-	(8,820)	-
Balance as at March 31, 2021	**35**	**54,327**	**3,598**	**59,398**	**(214)**	**-**	**1,17,144**
Profit for the year	-	-	-	10,378	-	-	10,378
Dividend on equity shares	-	-	-	(588)	-	-	(588)
Other comprehensive income for the year (net of tax ₹ 68)	-	-	-	-	127	-	127
Balance at March 31, 2022	**35**	**54,327**	**3,598**	**69,188**	**(87)**	**-**	**1,27,061**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No. 201193

Place: Hyderabad
Date: May 11, 2022

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M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Statement of Cash Flows

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021 *	
A Cash flow from operating activities				
Profit before tax		16,331		28,405
Adjustments for				
Depreciation and amortisation expense	8,035		8,057	
Finance costs	6,934		4,607	
Interest income	(2,531)		(404)	
Liabilities no longer required written back	(81)		(46)	
Expected credit loss allowance on trade receivables	202		85	
Provision for incentives receivable from government	775		84	
Unrealised loss on foreign currency transactions and translation	-		54	
Net loss on fair value change in financial instruments	6		166	
Loss/(profit) on sale of property, plant and equipment (net)	38		(50)	
		13,378		12,553
Operating profit before working capital changes		**29,709**		**40,958**
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(2,540)		3,517	
Inventories	(4,944)		(848)	
Other financial assets	131		97	
Other assets	(3,358)		(2,182)	
		(10,711)		**584**
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	(3,496)		546	
Other financial liabilities	358		(85)	
Provisions	174		(260)	
Other liabilities	2,348		4,215	
		(616)		4,416
Cash generated from operating activities		**18,382**		**45,958**
Less: Income tax paid		(2,958)		(3,656)
Net cash generated from operating activities		**15,424**		**42,302**
B Cash flow from investing activities				
Capital expenditure on property, plant and equipment including capital advances	(11,250)		(3,137)	
Deposits not considered as cash and cash equivalents				
- Placed	(1,199)		(380)	
- Matured	464		-	
Proceeds from disposal of plant and equipment	487		103	
Investments in subsidiaries during the year	(4,524)		(10,425)	
Unsecured loans given to subsidiaries (net)	(48,913)		(2,500)	
Interest received	615		266	
Net cash used in investing activities		**(64,320)**		**(16,073)**
C Cash flow from financing activities				
Proceeds from allotment of equity shares upon conversion of warrants	-		6,706	
Proceeds from non-current borrowings	53,823		5,901	
Repayment of non-current borrowings	(7,446)		(7,348)	
Proceeds from loan from others and related parties (net)	-		138	
Repayment of unsecured loans from related party	(900)		-	
Proceeds from/(repayment of) current borrowings (net)	2,748		(3,846)	
Repayment of lease liabilities	(161)		(154)	
Finance costs	(5,971)		(4,838)	
Dividends paid	(588)		(1,528)	
Net cash generated from / (used in) financing activities		**41,505**		(4,969)

Statement of Cash Flows

for the year ended March 31, 2022

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 *
Net (decrease)/increase in cash and cash equivalent (A+B+C)	**(7,391)**	**21,260**
Cash and cash equivalent at the beginning of the year (Refer Note 40)	21,438	178
Cash and cash equivalent at the end of the year (Refer Note 11)	**14,047**	**21,438**
Note:		
Cash and cash equivalents comprises of:		
Cash in hand	2	1
Balances with banks	1,545	587
Deposits with banks	12,500	20,850
Cash and cash equivalents (Refer Note 11)	**14,047**	**21,438**

* Refer Note 40

Reconciliations of liabilities from financing activities:

Particulars	As at April 01, 2021	Effect of business combination (Refer Note 40)	Proceeds	Repayment	Fair value changes	As at March 31, 2022
Long-term borrowings (including current maturities)	29,738	-	53,823	(7,446)	-	76,115
Loan from related party and others	1,093	-	-	(900)	-	193
Short-term borrowings	10,217	-	2,748	-	-	12,965
Total liabilities from financing activities	**41,048**	**-**	**56,571**	**(8,346)**	**-**	**89,273**

Particulars	As at April 01, 2020	Effect of business combination (Refer Note 40)	Proceeds	Repayment	Fair value changes	As at March 31, 2021
Long-term borrowings (including current maturities)	14,792	16,393	5,901	(7,348)	-	29,738
Loan from related party and others	-	955	138	-	-	1,093
Short-term borrowings	10,765	3,298	-	(3,846)	-	10,217
Total liabilities from financing activities	**25,557**	**20,646**	**6,039**	**(11,194)**	**-**	**41,048**

Reconciliation of lease liability:

Particulars	As at April 01, 2021	Effect of business combination (Refer Note 40)	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2022
Lease liabilities	66	-	388	27	(161)	320

Particulars	As at April 01, 2020	Effect of business combination (Refer Note 40)	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2021
Lease liabilities	136	27	48	9	(154)	66

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 008072S

Ganesh Balakrishnan
Partner
Membership No. 201193

Place: Hyderabad
Date: May 11, 2022

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
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R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

1. Corporate information and significant accounting policies

a) Corporate Information:

Sagar Cements Limited ("the Company") was incorporated under the Companies Act, 1956 as a public limited company on January 15, 1981. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Hyderabad, Telangana. Its shares are listed on The National Stock Exchange (NSE) of India Limited and the BSE Limited.

b) Significant accounting policies:

i) Statement of compliance

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

ii) Basis of preparation and presentation

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

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

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

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

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

iii) Functional and Presentation currency

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

Rounding of amounts

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

iv) Use of estimates and Judgements

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

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

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

  Depreciation on plant and machinery, railway siding, 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 basis 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 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

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize 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 as 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 those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

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 aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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 that are expected to benefit from 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, 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. An 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 is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

Revenue from service contracts with customers is 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.

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.

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

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

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

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense

Compensated Absences:

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are 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 of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible

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temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Minimum alternate tax

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on plant and machinery, 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.

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. 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 necessary to make the sale. Work-in-progress and finished goods include appropriate proportion of overheads.

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

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

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.

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

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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 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.

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.

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 judgement. 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.

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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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

e) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Land – freehold	9,787	9,787
Land – restoration	149	159
Buildings	19,058	18,939
Plant and machinery	78,572	77,896
Furniture and fittings	121	146
Office and other equipment	1,798	1,229
Electrical installations	4,491	4,325
Computers	81	62
Vehicles	460	314
Railway siding	5,071	5,320
Total	**1,19,588**	**1,18,177**

For the year 2021-22

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	30,437	1,16,161	906	5,412	12,567	496	1,267	6,684	1,83,946
Add: Additions	-	-	1,714	5,581	11	942	1,019	58	316	-	9,641
Less: Disposals	-	-	-	593	-	749	15	-	149	-	1,506
Balance as at March 31, 2022	**9,787**	**229**	**32,151**	**1,21,149**	**917**	**5,605**	**13,571**	**554**	**1,434**	**6,684**	**1,92,081**
II. Accumulated depreciation											
Opening Balance	-	70	11,498	38,265	760	4,183	8,242	434	953	1,364	65,769
Add: Depreciation expense	-	10	1,595	4,461	36	307	851	39	159	249	7,707
Less: Eliminated on disposal of assets	-	-	-	149	-	683	13	-	138	-	983
Balance as at March 31, 2022	**-**	**80**	**13,093**	**42,577**	**796**	**3,807**	**9,080**	**473**	**974**	**1,613**	**72,493**
Net block (I-II)											
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**
Carrying value as at March 31, 2021	9,787	159	18,939	77,896	146	1,229	4,325	62	314	5,320	1,18,177

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2020-21

Description of Assets	Land – freehold	Land – restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block											
Opening Balance	7,051	179	25,551	69,439	837	4,516	8,757	292	880	6,684	1,24,186
Add: Effect of business combination (Refer Note 40)	2,742	50	4,625	45,561	67	721	3,636	170	453	-	58,025
Add: Additions	-	-	261	1,179	2	175	187	34	88	-	1,926
Less: Disposals	6	-	-	18	-	-	13	-	154	-	191
Balance as at March 31, 2021	**9,787**	**229**	**30,437**	**1,16,161**	**906**	**5,412**	**12,567**	**496**	**1,267**	**6,684**	**1,83,946**
II. Accumulated depreciation											
Opening Balance	-	45	8,150	21,766	666	3,398	4,870	244	657	1,115	40,911
Add: Effect of business combination (Refer Note 40)	-	13	1,618	12,133	46	515	2,474	162	293	-	17,254
Add: Depreciation expense	-	12	1,730	4,368	48	270	901	28	136	249	7,742
Less: Eliminated on disposal of assets	-	-	-	2	-	-	3	-	133	-	138
Balance as at March 31, 2021	**-**	**70**	**11,498**	**38,265**	**760**	**4,183**	**8,242**	**434**	**953**	**1,364**	**65,769**
Net block (I-II)											
Carrying value as at March 31, 2021	**9,787**	**159**	**18,939**	**77,896**	**146**	**1,229**	**4,325**	**62**	**314**	**5,320**	**1,18,177**
Carrying value as at March 31, 2020	7,051	134	17,401	47,673	171	1,118	3,887	48	223	5,569	83,275

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 1,18,979 (March 31, 2021: ₹ 1,17,704) 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 15.
2. Vehicles with carrying amount of ₹ 460 (March 31, 2021: ₹ 314) are hypothecated to respective banks against vehicle loans. Refer Note 15.
3. 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.

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3. Other intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Computer software	32	32
Mining rights	2,186	2,354
Total	**2,218**	**2,386**

For the year 2021-22

Particulars	Computer Software	Mining rights (Refer Note 40)	Total
I. Gross Block			
Opening Balance	**417**	**3,276**	**3,693**
Add: Additions	5	-	5
Less: Disposals	-	-	-
Balance as at March 31, 2022	**422**	**3,276**	**3,698**
II. Accumulated amortisation			
Opening Balance	**385**	**922**	**1,307**
Add: Amortisation expense	5	168	173
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2022	**390**	**1,090**	**1,480**
Net block (I-II)			
Carrying value as at March 31, 2022	**32**	**2,186**	**2,218**
Carrying value as at March 31, 2021	32	2,354	2,386

For the year 2020-21

Particulars	Computer Software	Mining rights (Refer Note 40)	Total
I. Gross Block			
Opening Balance	**267**	**-**	**267**
Add: Effect of business combination (Refer Note 40)	139	3,276	3,415
Add: Additions	11	-	11
Less: Disposals	-	-	-
Balance as at March 31, 2021	**417**	**3,276**	**3,693**
II. Accumulated amortisation			
Opening Balance	**254**	**-**	**254**
Add: Effect of business combination (Refer Note 40)	129	754	883
Add: Amortisation expense	2	168	170
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2021	**385**	**922**	**1,307**
Net block (I-II)			
Carrying value as at March 31, 2021	**32**	**2,354**	**2,386**
Carrying value as at March 31, 2020	13	-	13

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

4. Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Buildings	292	59
Total	**292**	**59**

Buildings:

Particulars	As at March 31, 2022	As at March 31, 2021
I. Gross block		
Opening Balance	**341**	**242**
Add: Effect of business combination (Refer Note 40)	-	50
Add: Additions	388	49
Less: Deletion	-	-
Closing Balance	**729**	**341**
II. Accumulated depreciation		
Opening Balance	**282**	**112**
Add: Effect of business combination (Refer Note 40)	-	25
Add: Depreciation expense	155	145
Closing Balance	**437**	**282**
Net block (I-II)		
Carrying Value	292	59

Note: Refer Note 35 on operating lease.

5. Investments in subsidiaries

Particulars	As at March 31, 2022		As at March 31, 2021	
	No, of equity shares	Amount	No, of equity shares	Amount
Investments in equity instruments (Unquoted)				
Jajpur Cements Private Limited (100%, (March 31, 2021: 100%) shareholding) (Refer Note (i) below and Note 44)	10,76,80,000	11,054	8,19,30,000	8,479
Sagar Cements (M) Private Limited (65%, (March 31, 2021: 65%) shareholding) (Refer Note (ii) below and Note 44)	32,73,773	17,419	28,97,143	15,409
		28,473		**23,888**
Aggregate amount of unquoted investments		28,473		23,888

Notes:

(i) Includes investment of ₹ 254 (March 31, 2021: ₹ 254) on account of fair valuation of corporate guarantee given by the Company on behalf of Jajpur Cements Private Limited, a wholly-owned subsidiary.

(ii) Includes investment of ₹ 470 (March 31, 2021: ₹ 409) 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. Pursuant to the certificate of incorporation dated October 29, 2021, the Company's subsidiary Satguru Cement Private Limited was renamed to Sagar Cements (M) Private Limited.

(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, 2021: 13,37,143) 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, 2021: ₹ 6,923) and 96,54,000 (as at March 31, 2021: 96,54,000) number of shares held as investments in Jajpur Cements Private Limited with carrying amount of ₹ 965 (as at March 31, 2021: ₹ 965) have been pledged with the lenders towards borrowings of respective subsidiaries.

All amounts are in ₹ Lakhs unless otherwise stated

6. Loans (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Loans to Subsidiary Companies (Refer Notes 32 and 34)	51,413	2,500
Total loans	**51,413**	**2,500**

Notes:

(i) 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.

(ii) Loans are advanced to Jajpur Cements Private Limited (JCPL), Wholly owned subsidiary of the Company during the year aggregating to ₹ 46,483. JCPL has subscribed to debentures issued by Pridhvi Asset Reconstruction and Securitisation Company Limited on January 31, 2022 amounting to ₹ 42,960.

7. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits	1,063	1,346
Balances held as margin money deposit against borrowings	511	122
Total	**1,574**	**1,468**
Current		
Security deposits	267	165
Advances to employees	116	66
Interest accrued but not due (Refer Note 34)	1,895	92
Derivative assets	-	6
Total	**2,278**	**329**
Total other financial assets	**3,852**	**1,797**

8. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	2,434	970
Prepaid expenses	278	209
Balances with government authorities	148	148
Total	**2,860**	**1,327**
Current		
Advances to suppliers and service providers (Refer Note below)	3,865	837
Prepaid expenses	544	458
Balances with government authorities	379	204
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	3,127	3,902
Considered doubtful	859	84
Less: Provision for doubtful	(859)	(84)
Total	**8,109**	**5,595**
Total other assets	**10,969**	**6,922**

Note: Includes ₹ 48 (March 31, 2021: Nil) 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, 2022	As at March 31, 2021
Raw materials	1,224	1,707
Coal	7,031	4,597
Work-in-progress	3,930	703
Stores and spares	3,724	3,204
Packing materials	402	539
Finished goods (includes inventory of ₹ 5 lakhs on account of purchase stock for March 31, 2022)	954	729
Total (A)	**17,265**	**11,479**
Goods-in-transit:		
Raw materials	2	6
Coal	70	886
Packing materials	35	55
Finished goods	-	2
Total (B)	**107**	**949**
Total inventories (A+B)	**17,372**	**12,428**

Note: Refer Note 1(b)(xiv) for basis of valuation of inventory and refer Note 15 for details of inventory pledged.

10. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good – Secured	1,408	1,123
Trade receivables considered good – Unsecured	11,003	8,951
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	1,092	890
Sub-total	**13,503**	**10,964**
Less: Expected credit loss allowance	(1,092)	(890)
Total trade receivables	**12,411**	**10,074**

Note: Includes ₹ 928 (March 31, 2021: 13) receivable from related party. Also Refer Note 34 and Refer Note 15 for the detail Trade receivable pledged.

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:

FY 2021-22:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	7,465	2,913	1,737	234	42	20	12,411
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	-	77	77	56	48	722	980
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	112	112
Total	**7,465**	**2,990**	**1,814**	**290**	**90**	**854**	**13,503**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

FY 2020-21:

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years	Total
(i) Undisputed Trade receivables							
- considered good	7,166	2,279	189	266	151	23	10,074
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	-	34	31	138	53	528	784
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	106	106
Total	**7,166**	**2,313**	**220**	**404**	**204**	**657**	**10,964**

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	890	695
Add: Effect of business combination (Refer Note 40)	-	110
Add: Expected credit loss allowance	202	85
Balance at the end of the year	**1,092**	**890**

11. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	2	1
Balances with banks	1,545	587
Deposits with banks	12,500	20,850
Total Cash and cash equivalents	**14,047**	**21,438**

12. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend account	55	64
Margin money deposits (Refer Note below)	1,567	1,212
Total other bank balances	**1,622**	**1,276**

Note: Margin money deposits with banks are against bank guarantees and cash credit facilities.

13. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2021: Equity Shares of ₹ 10 each) (Refer Note (a) below)	69,75,00,000	18,250	2,35,00,000	2,350
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2021: Equity Shares of ₹ 10 each) (Refer Note (a) below)	11,75,00,000	2,350	2,35,00,000	2,350

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

(a) The Board of Directors, at their meeting held on July 01, 2021, recommended for the sub-division of equity shares of the Company from existing face value of ₹ 10/- each into face value of ₹ 2/- each (i.e. split of 1 equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each), and the same has been approved by the shareholders in the Annual General Meeting of the Company held on July 28, 2021. Accordingly, face value of the equity shares of the Company now stand at ₹ 2/- each w.e.f. the record date namely August 18, 2021.

Pursuant to merger of Sagar Cements (R) Limited with the Company, authorised equity share capital of ₹ 11,600 and authorised preference share capital of ₹ 4,300 of Transferor Company stand transferred as authorised share capital of the Company (Refer Note 40)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening balance	2,35,00,000	2,350	2,22,75,000	2,228
Allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	-	12,25,000	122
Stock Split (₹ 10 each into ₹ 2 each)	9,40,00,000	-	-	-
Closing balance	**11,75,00,000**	**2,350**	**2,35,00,000**	**2,350**

(c) 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.

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares of ₹ 2 each	% of holding	No. of shares of ₹ 10 each	% of holding
S. Aruna	68,47,725	5.83%	13,69,545	5.83%
Dr. S. Anand Reddy	65,32,620	5.56%	13,06,524	5.56%
S. Sreekanth Reddy	61,97,015	5.27%	12,39,353	5.27%
R V Consulting Services Private Limited	80,11,490	6.82%	16,02,298	6.82%
AVH Resources India Private Limited	2,56,68,790	21.85%	51,33,754	21.85%

(e) Details of shares held by the promoters in the Company and change during the year:

Name of the shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 10 each	% of total shares	% Change during the year
S. Aruna	68,47,725	5.83%	-	13,69,545	5.83%	-0.32%
Rachana Sammidi	58,36,415	4.97%	-	11,67,283	4.97%	-0.27%
Dr. S. Anand Reddy	65,32,620	5.56%	-	13,06,524	5.56%	-0.31%
S. Sreekanth Reddy	61,97,015	5.27%	-	12,39,353	5.27%	-0.29%
R V Consulting Services Private Limited	80,11,490	6.82%	-	16,02,298	6.82%	1.88%
Vanajatha Sammidi	49,53,845	4.22%	-	9,90,769	4.22%	-0.23%
Siddarth Sammidi	41,09,490	3.50%	-	8,21,898	3.50%	-0.19%
Aneesh Reddy Sammidi	41,09,485	3.50%	-	8,21,897	3.50%	-0.19%
Malathi Reddy Wdaru	37,77,000	3.21%	-	7,55,400	3.21%	-0.18%
Madhavi Nadikattu	26,69,000	2.27%	-	5,33,800	2.27%	-0.13%
P V Narsimha Reddy	10,000	0.01%	-	2,000	0.01%	0.00%
Andhra Pradesh Industrial Development Corporation	15,66,425	1.33%	-	3,13,285	1.33%	-0.08%
Panchavati Polyfibres Limited	1,57,500	0.13%	-	31,500	0.13%	-0.01%
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.66%	-	8,60,000	3.66%	-0.20%

All amounts are in ₹ Lakhs unless otherwise stated

(f) 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.

(g) There are no securities which are convertible into equity shares. In the previous year 2020-21, the Company had converted 12,25,000 warrants into equal number of equity shares. (Refer Note 44(a))

14. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	35	35
Securities premium	54,327	54,327
General reserve	3,598	3,598
Retained earnings	69,188	59,398
Other items of other comprehensive income	(87)	(214)
Total other equity	**1,27,061**	**1,17,144**

Movement in other equity is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	**35**	**35**
Securities premium		
(i) Opening balance	54,327	45,507
(ii) Premium on allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	8,820
	54,327	**54,327**
General reserve	**3,598**	**3,598**
Retained earnings		
(i) Opening balance	59,398	49,839
(ii) Effect of business combination (Refer Note 40)	-	(7,839)
(iii) Profit for the year	10,378	18,926
	69,776	**60,926**
Less: Appropriations		
(i) Dividend on equity shares (Refer Note 39)	588	1,528
	69,188	**59,398**
Other items of other comprehensive income		
(i) Opening balance	(214)	(192)
(ii) Effect of business combination (Refer Note 40)	-	(29)
(iii) Other comprehensive income for the year	127	7
	(87)	**(214)**
Money received against share warrants		
(i) Opening balance	-	2,236
(ii) Money received against share warrant (Refer Note 44(a))	-	6,706
(iii) Allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	(122)
(iv) Premium on allotment of equity shares upon conversion of warrants (Refer Note 44(a))	-	(8,820)
	-	-
Total	**1,27,061**	**1,17,144**

Nature of reserves:

(a) Capital reserve

This represents subsidies received from the government.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Act.

(c) General reserve

This represents appropriation of profit by the Company. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

(d) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(e) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability.

(f) Money received against share warrants

This represents the moneys received against the share warrants allotted.

15A. Non-current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans (Refer Note (i) below)	33,522	15,033
Non-convertible debentures (Refer Note (ii) below)	25,394	8,077
Total non-current borrowings	**58,916**	**23,110**

* Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".

Notes (i):

As at March 31, 2022

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	1,094	4 quarterly instalments	6.50%
Axis Bank Limited (Refer Note 2 below)	491	12 monthly instalments	7.90%
HDFC Bank Limited (Refer Note 2 below)	2,194	50 monthly instalments	6.00%
Axis Finance Limited (Refer Note 2 below)	14,775	18 quarterly instalments	10.00%
Piramal Capital & Housing Finance Limited (Refer Note 2 below)	9,950	48 monthly instalments	11.00%
Axis Bank Limited (Refer Note 3 below)	1,150	8 quarterly instalments	7.90%
Axis Bank Limited (Refer Note 4 below)	2,533	16 quarterly instalments	7.90%
State Bank of India (Refer Note 5 below)	2,399	16 quarterly instalments	8.50%
State Bank of India (Refer Note 6 below)	55	1 monthly instalments	6.95%
Axis Bank Limited (Refer Note 7 below)	1,630	46 monthly instalments	6.50%
HDFC Bank Limited (Refer Note 8 below)	3,000	48 monthly instalments	6.50%
The Federal Bank Limited (Refer Note 9 below)	2,625	14 quarterly instalments	8.20%
State Bank of India(Refer Note 10 below)	11	1 monthly instalments	6.95%
The Federal Bank Limited (Refer Note 11 below)	1,011	48 monthly instalments	6.75%
Vehicle loans from various banks (Refer Note 12 below)	495	2 - 35 monthly instalments	7.16% to 9.31%
Less: Current maturities of non-current borrowings	(9,891)		
Total	**33,522**		

As at March 31, 2021

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 1 below)	2,193	8 quarterly instalments	6.50%
Axis Bank Limited (Refer Note 2 below)	991	24 monthly instalments	8.00%
Axis Bank Limited (Refer Note 3 below)	1,721	12 quarterly instalments	8.00%
Axis Bank Limited (Refer Note 4 below)	3,176	20 quarterly instalments	8.00%
State Bank of India (Refer Note 5 below)	2,399	16 quarterly instalments	9.00%
State Bank of India (Refer Note 6 below)	722	13 monthly instalments	7.25%
Axis Bank Limited (Refer Note 7 below)	1,701	48 monthly instalments	6.50%
HDFC Bank Limited (Refer Note 8 below)	3,000	48 monthly instalments	6.50%
The Federal Bank Limited (Refer Note 9 below)	3,125	18 quarterly instalments	8.00%
State Bank of India(Refer Note 10 below)	144	13 monthly instalments	7.25%
Vehicle loans from various banks (Refer Note 12 below)	181	5 - 21 monthly instalments	8.50% to 9.50%
Less: Current maturities of non-current borrowings	(4,320)		
Total	**15,033**		

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

1. Term loan is secured by first *pari passu* charge on the property, plant & equipment owned by or belonging to the Company both present and future, and by second *pari passu* charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
2. Term loan is secured by first *pari passu* charge on the property, plant and equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at bayyavaram and plant and equipment of Waste heat recovery power plant at mattampally , and by second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second *pari passu* charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
4. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy – Managing Director and S. Sreekanth Reddy – Joint Managing Director.
5. Term loan is secured by exclusive charge on the assets of 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.
6. Term loan is secured by first *pari passu* charge against all current assets, present and future, and by second *pari passu* charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by second *pari passu* charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
8. Term loan is secured by second *pari passu* charge on the property, plant & equipment owned by or belonging to the Company both present and future, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
9. 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.
10. This term loan is secured against all current assets, present and future, and by second charge on entire property, plant and equipment of the Company including land and building and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
11. 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.
12. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.
13. The Company has used the borrowings for the purposes for which it was taken.

Note (ii):

1. Non-Convertible Debentures (NCD) have been issued to Investec Bank PLC-VRR 1 and Emerging India Credit Opportunities Fund I. A total of 25,000 NCD's have been issued (₹ 1 lakh each) aggregating ₹ 25,000. Interest payable on the NCD's is @11.50%. The NCD's were issued on November 20, 2021. Interest is payable at half yearly rest with effect from June 01, 2022. Repayment for the NCD's are to be made in 5 equal half yearly instalments of ₹ 5,000 starting from December 01, 2022 onwards. The NCD's are 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. 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, six instalments were paid up to current year. The NCD's are secured by first *pari passu* charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the borrower company both present and future, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.
3. The Company has used the borrowings for the purposes for which it was taken.

15B. Current borrowings (Secured, amortised at cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand		
Cash credit facilities (Refer Notes below)	12,965	10,217
Current maturities of non-current borrowings (Refer Note 15A)	17,199	6,628
Total current borrowings	**30,164**	**16,845**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Notes:

1. The Company has availed cash credit facilities from State bank of India. This facility is secured by first *pari passu* charge against all current assets, present and future, and by second *pari passu* charge on the entire property, plant and equipment of the Company including land and building, excluding Bayyavaram plant and Mattampally WHR plant and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. (2020-21: 7.90% p.a.to 8.85% p.a.)."
2. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first *pari passu* charge against all current assets, present and future, and by second *pari passu* charge on the property, plant and equipment of the Company (excluding plant and equipment of grinding unit at bayyavaram and WHR unit) and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.60% to 7.70% p.a. (2020-21: 7.70% p.a.to 8.40% p.a.).
3. The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first *pari passu* charge against all current assets, present and future, and by second *pari passu* charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.20% p.a. to 7.90% p.a. (2020-21: 7.90% p.a. to 8.40% p.a.).
4. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first *pari passu* charge against all current assets, present and future, and by second *pari passu* charge on entire property, plant and equipment of the Company including land and building and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. (2020-21: 7.90% p.a to 9.80% p.a.).
5. 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 @ 7.90% p.a. (2020-21: 7.90% p.a to 8.95% 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, 2022	As at March 31, 2021
Non-current		
Security deposits received	6,124	5,757
Guarantee obligation	489	541
Loans from others	193	193
Loans from related party (Refer Note 34)	-	900
Total	**6,806**	**7,391**
Current		
Interest accrued but not due on borrowings	1,409	472
Unclaimed dividends (Refer Note below)	55	64
Payables on purchase of property, plant and equipment	199	247
Total	**1,663**	**783**
Total other financial liabilities	**8,469**	**8,174**

Note:

As at March 31, 2022 (March 31, 2021: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

17. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity (Refer Note 33)	577	651
Compensated absences (Refer Note 33)	452	399
Total provisions	**1,029**	**1,050**
Non-current		
Gratuity	399	330
Compensated absences	329	283
Total	**728**	**613**
Current		
Gratuity	178	321
Compensated absences	123	116
Total	**301**	**437**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

18. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME)	60	17
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,153	22,773
Total trade payables	**19,213**	**22,790**

Trade payables ageing schedule for the year ended March 31, 2022 and March 31, 2021:

FY 2021-22:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	-	60	-	-	-	-	60
(ii) Others	3,345	13,102	2,358	21	50	277	19,153
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**3,345**	**13,162**	**2,358**	**21**	**50**	**277**	**19,213**

FY 2020-21:

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	-	17	-	-	-	-	17
(ii) Others	2,571	16,806	2,902	49	3	442	22,773
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
Total	**2,571**	**16,823**	**2,902**	**49**	**3**	**442**	**22,790**

19. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Liability for land restoration	229	229
Total	**229**	**229**
Current		
Advance from customers (Refer Note below)	7,400	5,149
Statutory remittances	3,334	3,237
Total	**10,734**	**8,386**
Total other liabilities	**10,963**	**8,615**

Note: Includes ₹ 1,164 (March 31, 2021: Nil) advance received from related party. Also Refer Note 34.

20. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Revenue from		
- Sale of cement (Refer Note 38)	1,55,718	1,35,312
- Sale of power	711	320
Other operating income		
- Income from trademark and staffing charges to subsidiary	41	-
- Sale of scrap	152	77
- Incentives from government	-	1,714
- Sale of coal	111	-
- Insurance claims	45	49
- Others	8	16
Total revenue from operations	**1,56,786**	**1,37,488**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

21. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Interest Income on financial assets at amortised cost	2,531	404
Rent received from employees	19	21
Profit on sale of property, plant and equipments	-	50
Liabilities no longer required written back	81	46
Net gain on foreign currency transactions and translation	60	333
Total other income	**2,691**	**854**

22. Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening stock	1,707	1,117
Add: Purchases	25,073	20,300
Less: Closing stock	1,224	1,707
Total cost of materials consumed	**25,556**	**19,710**
Details of materials consumed:		
Limestone	7,542	5,296
Laterite	3,472	2,624
Iron-ore sludge	392	390
Gypsum	2,022	1,472
Fly ash	2,643	1,966
Clinker purchased	55	351
Slag	3,188	2,155
Others	6,374	5,456
Less: Captive consumption	(132)	-
Total	**25,556**	**19,710**

23A. Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Cement and Others	2,017	2,028
Total Purchase of stock-in-trade	**2,017**	**2,028**

23B. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Inventories at the beginning of the year:		
Finished goods	729	1,413
Work-in-progress	703	2,255
	1,432	**3,668**
Inventories at the end of the year:		
Finished goods	949	729
Work-in-progress	3,930	703
	4,879	**1,432**
Net (increase)/ decrease	**(3,447)**	**2,236**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

24. Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Salaries and wages, including bonus	6,712	6,546
Contribution to provident and other funds (Refer Note 33)	726	576
Staff welfare expenses	663	502
Total employee benefit expenses	**8,101**	**7,624**

25. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Interest expense	5,269	3,691
Less: Borrowing costs on qualifying assets capitalised	(63)	-
Interest on deposits from dealers	243	232
Interest on lease liability (Refer Note 35)	27	9
Other borrowing cost	1,458	675
Total finance cost	**6,934**	**4,607**

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Depreciation of property, plant and equipment (Refer Note 2)	7,707	7,742
Depreciation on right of use assets (Refer Note 4 and 35)	155	145
Amortisation of intangible assets (Refer Note 3)	173	170
Total depreciation and amortisation	**8,035**	**8,057**

27. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Packing materials consumed	6,564	5,017
Stores and spares consumed	4,048	2,846
Repairs and maintenance		
- Plant & equipment	2,302	1,888
- Buildings	158	126
- Others	1,090	1,019
Selling expenses	2,354	2,537
Expected credit loss allowance	202	85
Provision for incentives receivable from government	775	84
Rent	164	133
Insurance	260	218
Rates and taxes	154	132
Expenditure on corporate social responsibility (Refer Note 37)	255	130
Payment to Auditors (Refer Note (i) below)	81	68
Travelling and conveyance	356	217
Security services	289	263
Donations and contributions	137	187
Legal and other professional charges	675	600
Administrative expenses	230	241
Printing and stationery	59	37
Communication	66	68

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Net loss on fair value change in financial instruments	6	166
Directors sitting fees	46	25
Miscellaneous expenses	36	51
Loss on sale of plant and equipments	38	-
Captive consumption	-	(28)
Total other expenses	**20,345**	**16,110**
Note:		
(i) Payment to auditors (net of taxes) comprises:		
For audit	41	39
For limited reviews	12	12
For other services	28	17
Total	**81**	**68**

28. Income tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
(a) Income tax recognised in the statement of profit and loss		
Current tax:		
In respect of the current year	3,056	4,229
	3,056	**4,229**
Deferred tax		
In respect of current year origination and reversal of temporary differences	2,956	9,479
MAT Credit	(59)	(4,229)
	2,897	**5,250**
Total tax expense	**5,953**	**9,479**

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Profit before tax (A)	16,331	28,405
Statutory tax rate in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	**5,706**	**9,925**
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(39)	(62)
Effect on expenses disallowed under Income Tax Act, 1961	244	188
Effect on change in depreciation while filing Income tax return	-	6
Effect on change in Income tax rate	-	(531)
Others	42	(47)
Total	**247**	**(446)**
At the effective income tax rate	5,953	9,479
Total Tax expense	**5,953**	**9,479**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

(b) Movement in deferred tax assets and liabilities for the year 2021-22:

Particulars	Opening balance	Effect of Business Combination (Refer Note 40)	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	19,056	-	726	-	-	19,782
Provision for employee benefits	(364)	-	7	68	-	(289)
Expected credit loss allowance	(311)	-	(71)	-	-	(382)
MAT credit entitlement	(8,943)	-	(59)	-	-	(9,002)
Others	(98)	-	(242)	-	-	(340)
Unabsorbed depreciation	(2,536)	-	2,536	-	-	-
Total Deferred tax liability (Net)	**6,804**	**-**	**2,897**	**68**	**-**	**9,769**

Movement in deferred tax assets and liabilities for the year 2020-21:

Particulars	Opening balance	Effect of Business Combination (Refer Note 40)	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment and intangible assets	10,840	5,947	2,273	-	(4)	19,056
Provision for employee benefits	(403)	(45)	80	4	-	(364)
Expected credit loss allowance	(243)	(31)	(37)	-	-	(311)
MAT credit entitlement	(4,714)	-	(4,229)	-	-	(8,943)
Others	(119)	-	21	-	-	(98)
Unabsorbed depreciation	(970)	(8,708)	7,142	-	-	(2,536)
Total Deferred tax liability (Net)	**4,391**	**(2,837)**	**5,250**	**4**	**(4)**	**6,804**

(c) Income tax assets and liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (Net of provision of ₹ 4,849 (2020-21: ₹ 4,415))	463	450
Income tax liabilities (Net of advance tax and TDS receivable for an amount of ₹ 2,723 (2020-21: ₹ 3,807)	(1,275)	(1,164)
Net Income tax liabilities	**(812)**	**(714)**

29. Contingent liabilities, corporate guarantees and capital commitments

a) Contingent Liabilities:

Based on legal opinion/advice obtained, no financial implication to the Company with respect to the following cases is perceived as on the Balance Sheet date:

i) Claims against the Company not acknowledged as debt:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Direct tax matters	3,923	2,020
Indirect tax matters	1,323	1,315
Others	428	428

ii) The Finance Minister of Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 01, 2010. As advised by the legal experts, the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,612 (As at March 31, 2021: ₹ 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, 2022, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Company.

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All amounts are in ₹ Lakhs unless otherwise stated

iii) The Honourable Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2022	As at March 31, 2021
Jajpur Cements Private Limited	Term loan from Axis Bank Limited	Axis Bank Limited	20,000	20,000
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	31,000
Total			**57,000**	**51,000**

Pursuant to merger of Sagar Cements (R) Limited (SCRL) with the Company, the corporate guarantee given by the Company for SCRL borrowings stand rescinded.

c) Capital Commitments:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	4,383	5,008

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, 2022	As at March 31, 2021 (Refer Note 40)
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	60	17
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23.	-	-

31. Financial Instruments:

The significant accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are 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.

All amounts are in ₹ Lakhs unless otherwise stated

Gearing ratio

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

Description	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Debt (Refer Note below)	89,080	39,955
Cash and cash equivalents and Other bank balances	15,669	22,714
Net debt	73,411	17,241
Total equity	1,29,411	1,19,494
Net debt to equity ratio	0.57	0.14

Note: Debt comprises of current and non-current borrowings as described in Notes 15.

B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	-	6
Measured at amortised cost		
(i) Investments	28,473	23,888
(ii) Loans	51,413	2,500
(iii) Trade receivables	12,411	10,074
(iv) Cash and cash equivalents	14,047	21,438
(v) Other bank balances	1,622	1,276
(vi) Other financial assets	3,852	1,797
Total Financial assets	**1,11,818**	**60,979**

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	89,080	39,955
(ii) Trade payables	19,213	22,790
(iii) Lease liabilities	320	66
(iv) Other financial liabilities	8,469	8,174
Total Financial liabilities	**1,17,082**	**70,985**

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.

Notes to the Standalone Financial Statements

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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.

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, 2022 would decrease/increase by ₹ 445 (for the year ended March 31, 2021: decrease/ increase by ₹ 200). 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 no 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, 2022 and March 31, 2021. 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.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Financing facilities:

Particulars	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Secured bills acceptance facility, reviewed annually		
- amount used	4,894	5,404
- amount unused	12,606	7,096
Total	**17,500**	**12,500**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	12,965	10,217
- amount unused	4,235	6,983
Total	**17,200**	**17,200**
Secured non-convertible debentures		
- amount used	32,702	10,385
- amount unused	-	-
Total	**32,702**	**10,385**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	43,413	19,353
- amount unused	1,665	-
Total	**45,078**	**19,353**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows:

Particulars	< 1 year	1 – 2 years	> 2 years
Trade Payables	19,213	-	-
Lease liabilities	154	136	30
Other financial liabilities	1,663	638	6,168
Borrowings (including current maturities of non-current borrowings)	30,164	22,842	36,074

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 (Refer Note 40) are as follows:

Particulars	< 1 year	1 – 2 years	> 2 years
Trade Payables	22,790	-	-
Lease liabilities	24	8	34
Other financial liabilities	783	965	6,426
Borrowings (including current maturities of non-current borrowings)	16,845	7,743	15,367

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Jajpur Cements Private Limited (For its expansion and general corporate purpose, carrying interest @ 12% p.a.)	46,483	-	46,483	-
Sagar Cements (M) Private Limited (For its requirement of setting up the Cement manufacturing unit, carrying interest @ 8% p.a.)	4,930	2,500	9,630	2,500

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 ₹ 337 (2020–21: ₹ 313).

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 41 (2020–21: ₹ 34).

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 ₹ 4 (2020–21: ₹ 3).

(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, 2022 and March 31, 2021:

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.33%	6.81%
Expected rate of return on plan asset	6.75% to 7.35%	7.26%/7.60%
Expected average remaining working lives of employees	16.69 years	17.40 years
Rate of escalation in salary	9.30%	10%
Attrition rate	10%	10%

b) **Components of defined benefit costs recognised in profit and loss and other comprehensive income:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	198	179
Interest expense	96	89
Other adjustments	5	6
Expected return on plan assets	(62)	(45)
Defined benefit cost included in profit and loss	**237**	**229**
Re-measurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial and experience adjustments	(207)	(13)
Return on plan assets (excluding interest income)	12	2
Components of defined benefit costs recognised in OCI	**(195)**	**(11)**

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Present value of funded defined benefit obligations	1,534	1,551
Fair value of plan assets	(957)	(900)
Net liability arising from defined benefit obligation	577	651

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Defined benefit obligation at the beginning of the year	1,551	1,310
Effect of business combination (Refer Note 40)	-	144
Current service cost	198	179
Interest cost	96	89
Remeasurements – Due to financial and experience adjustments	(207)	(13)
Benefits paid out of plan assets and by employer	(104)	(158)
Defined benefit obligation at the year end	**1,534**	**1,551**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Within 1 year	178	321
1 – 2 years	199	156
2 – 3 years	200	170
3 – 4 years	141	170
4 – 5 years	164	122
5 – 10 years	612	589

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening fair value of the plan assets	900	461
Effect of business combination (Refer Note 40)	-	40
Expected return on plan assets	62	45
Contributions from the employer	106	481
Benefits paid out of plan assets	(98)	(122)
Re-measurement – Return on Assets (excluding interest income)	(12)	-
Other adjustments	(1)	(5)
Fair value of plan asset at the year end	**957**	**900**

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, 2022		For the year ended March 31, 2021 (Refer Note 40)	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,306	1,458	1,390	1,545
Effect of 1% change in assumed salary rate	1,456	1,303	1,543	1,387
Effect of 1% change in assumed attrition rate	1,370	1,386	1,451	1,476

The Company is expected to contribute ₹ 420 Lakhs to its defined benefit plans during the next financial year.

Notes to the Standalone Financial Statements

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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, 2022	For the year ended March 31, 2021 (Refer Note 40)
Discount Rate	7.33%	6.81%
Salary escalation rate	9.30%	10%
Attrition rate	10%	10%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

The Company has made provision for compensated absences based on the actuarial valuation.

34. Related Party Disclosures:

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

Name	Relationship
Jajpur Cements Private Limited	Wholly-owned subsidiary Company
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary Company
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	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
Valliyur Hariharan Ramakrishnan	Independent Director
Rachana Sammidi	Director
John Eric Bertrand	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS)
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
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 and balances with the above parties are as follows:

Nature of transaction	Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Purchase of packing materials	Panchavati Polyfibres Limited	7,240	5,680
Purchase of scrap	Sagarsoft (India) Limited	-	1
Repayment of loans	Sagar Power Limited	900	-
Interest expense on loan	Sagar Power Limited	45	99
Sale of cement	Jajpur Cements Private Limited	262	375

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Rent expenses paid	Dr. S. Anand Reddy	41	39
	S. Sreekanth Reddy	41	39
	S. Vanajatha	41	39
	Total	**123**	**117**
Services received	Sagarsoft (India) Limited	51	56
Services rendered	Jajpur Cements Private Limited	17	-
	Sagar Cements (M) Private Limited	24	-
	Total	**41**	**-**
Sale of clinker	Jajpur Cements Private Limited	577	-
	Sagar Cements (M) Private Limited	184	-
	Total	**761**	**-**
Sale of Coal	Sagar Cements (M) Private Limited	111	-
Reimbursement of expenses received	Sagarsoft (India) Limited	7	8
	RV Consulting Services Private Limited	13	8
	Sagar Power Limited	2	3
	Panchavati Polyfibres Limited	4	6
	Sagar Cements (M) Private Limited	33	11
	Jajpur Cements Private Limited	10	3
	Total	**69**	**39**
Reimbursement of expenses paid	Panchavati Polyfibres Limited	-	58
Interest earned on corporate guarantee	Jajpur Cements Private Limited	41	45
	Sagar Cements (M) Private Limited	71	66
	Total	**112**	**111**
Loan given	Sagar Cements (M) Private Limited	8,130	2,500
	Jajpur Cements Private Limited	46,483	-
	Total	**54,613**	**2,500**
Payment received against loan given	Sagar Cements (M) Private Limited	5,700	-
Corporate guarantee given	Sagar Cements (M) Private Limited	6,000	3,500
Sale of property, plant and equipment	Sagar Cements (M) Private Limited	446	28
Interest earned on loan	Sagar Cements (M) Private Limited	526	25
	Jajpur Cements Private Limited	1,487	-
	Total	**2,013**	**25**
Payment to salary	S. Siddarth Reddy	4	2
	S. Sahithi	46	36
	Total	**50**	**38**
Received against warrant conversion	RV Consulting Services Private Limited	-	2,190
	AVH Resources India Private Limited	-	4,243
	Total	**-**	**6,433**
Dividend paid	S. Vanajatha	25	64
	RV Consulting Services Private Limited	40	103
	S. Siddarth	21	53
	Panchavati Polyfibres Limited	1	2
	AVH Resources India Private Limited	128	334
	Total	**215**	**556**

Compensation to key managerial personnel is as follows:

Nature of transaction	Party Name	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Short-term benefits	MD, JMD, CS and CFO	1,571	1,504
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	46	25
Dividend paid	MD, JMD, CS, CFO and Directors	93	242

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Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2022	As at March 31, 2021 (Refer Note 40)
Loan given	Sagar Cements (M) Private Limited	4,930	2,500
	Jajpur Cements Private Limited	46,483	-
	Total	**51,413**	**2,500**
Advances given	Sagar Power Limited	1	-
	RV Consulting Services Private Limited	13	-
	Jajpur Cements Private Limited	7	-
	Sagar Cements (M) Private Limited	27	-
	Total	**48**	**-**
Interest accrued but not due	Sagar Cements (M) Private Limited	497	23
	Jajpur Cements Private Limited	1,338	-
	Total	**1,835**	**23**
Loans taken	Sagar Power Limited	-	900
Advances received	Jajpur Cements Private Limited	1,164	-
Trade payables	Panchavati Polyfibres Limited	711	796
Trade Receivable	Jajpur Cements Private Limited	19	13
	Sagar Cements (M) Private Limited	909	-
	Total	**928**	**13**
Corporate guarantee (Refer Note 29)	Jajpur Cements Private Limited	20,000	20,000
	Sagar Cements (M) Private Limited	37,000	31,000
	Total	**57,000**	**51,000**

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 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.

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, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening Balance	59	130
Effect of business combination (Refer Note 40)	-	25
Additions	388	49
Depreciation	(155)	(145)
Closing Balance	**292**	**59**

The aggregate depreciation expense on ROU 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, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Opening Balance	66	136
Effect of business combination (Refer Note 40)	-	27
Additions	388	49
Finance cost accrued during the year	27	9
Payment of lease liabilities	(161)	(155)
Closing Balance	**320**	**66**

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Non-current lease liabilities	166	42
Current lease liabilities	154	24
Total	**320**	**66**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on discounted basis

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Within one year	154	24
After one year but not more than five years	136	26
More than five years	30	16

36. Earnings per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021 (Refer Note 40)
Profit after tax (₹ in Lakhs)	10,378	18,926
Weighted average number of equity shares outstanding (Refer Note 13(a))	11,75,00,000	11,56,54,110
Earnings per share:		
Basic and Diluted (in ₹)	8.83	16.36

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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, 2022	For the year ended March 31, 2021 (Refer Note 40)
Amount required to be spent by the Company during the year	243	106
Amount of expenditure incurred	255	130
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	10
Reason for shortfall	NA	Due to the year-end lockdown on account of COVID-19
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, 2022	For the year ended March 31, 2021 (Refer Note 40)
Revenue as per Contract price	1,93,449	1,58,160
Less: Discounts and incentives	(37,731)	(22,848)
Revenue as per statement of profit and loss	1,55,718	1,35,312

- The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The Company does not have any material performance obligations which are outstanding as at the year-end as the contracts entered for sale of goods are for short term in nature.

39. 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 (Refer Note 13(a)) recognised as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Final dividend for FY 2020-21	2.50	-
Interim dividend for FY 2020-21	-	4.00
Final dividend for FY 2019-20	-	2.50

During the year ended March 31, 2022, on account of the final dividend for the financial year 2020-21, the Company has incurred a net cash outflow of ₹ 588.

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The Board of Directors at their meeting held on May 11, 2022, recommended a 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.

Effective from April 01, 2020: Dividends will be taxed in the hands of recipient, hence there will be no liability in the hands of Company.

40. On July 12, 2021, 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 Sagar Cements (R) Limited (SCRL) (Transferor Company), a wholly-owned subsidiary, with the Company (Transferee Company) with an appointed date of March 30, 2021. The scheme as approved by various regulatory authorities was sanctioned by Hyderabad bench of National Company Law Tribunal (NCLT) on March 15, 2022. 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 SCRL 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)	Adjustments (Refer Note 2 below)	Total
Assets				
Non-current assets				
(a) Property, plant and equipment	42,954	-	(2,183)	40,771
(b) Capital work-in-progress	322	-	-	322
(c) Intangible assets	10	-	-	10
(d) Goodwill	-	3,873	-	3,873
(e) Mining rights	-	2,522	-	2,522
(f) Right of use assets	25	-	-	25
(g) Other Non-current financial assets	345	(101)	-	244
(h) Income tax assets (net)	155	-	-	155
(i) Deferred tax assets	2,074	-	763	2,837
(j) Other non-current assets	43	-	-	43
Total Non-current assets	**45,928**	**6,294**	**(1,420)**	**50,802**
Current assets				
(a) Inventories	3,513	-	-	3,513
(b) Trade receivables	4,190	-	-	4,190
(c) Cash and cash equivalents	7	-	-	7
(d) Bank balances other than cash and cash equivalents	69	-	-	69
(e) Other financial assets	70	-	-	70
(f) Other current assets	1,093	-	-	1,093
Total Non-current assets	**8,942**	**-**	**-**	**8,942**
Total Assets	**54,870**	**6,294**	**(1,420)**	**59,744**
Equity and Liabilities				
Equity				
Equity share capital	10,381	(10,381)	-	-
Other equity	(4,671)	(1,777)	(1,420)	(7,868)
Total equity	**5,710**	**(12,158)**	**(1,420)**	**(7,868)**
Liabilities				
Non-current liabilities				
(a) Borrowings	23,676	(10,019)	-	13,657
(b) Lease liabilities	25	-	-	25
(c) Other financial liabilities	1,625	-	-	1,625
(d) Provisions	123	-	-	123
(e) Other non-current liabilities	50	-	-	50
Total Non-current liabilities	**25,499**	**(10,019)**	**-**	**15,480**

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Particulars	Transferor Company	Elimination (Refer Note 1 below)	Adjustments (Refer Note 2 below)	Total
Current liabilities				
(a) Borrowings	3,298	-	-	3,298
(b) Trade payables	5,381	-	-	5,381
(c) Lease liabilities	2	-	-	2
(d) Other financial liabilities	9,150	(5,792)	-	3,358
(e) Provisions	47	-	-	47
(f) Other current liabilities	5,783	(4,814)	-	969
Total Current liabilities	**23,661**	**(10,606)**	**-**	**13,055**
Total	**54,870**	**(32,783)**	**(1,420)**	**20,667**

Details of impact on net profit and taxes is summarised below:

Particulars	For the year ended March 31, 2021
Net Profit for the year	
As per financial statements of FY 2020-21	16,196
Add: Net profit of SCRL	2,846
Less: Adjustment due to merger	**(116)**
Net Profit for the year post merger	18,926
Total Tax for the year	
As per financial statements of FY 2020-21	8,043
Add: Tax charge of SCRL	1,536
Less: Adjustment due to merger	(100)
Tax charge on profits for the year post merger	**9,479**

Details of impact on statement of cash flows is summarised below:

Particulars	For the year ended March 31, 2021
Net cash generated from operating activities	
As per financial statements of FY 2020-21	29,779
Add: Net cash generated from operating activities of SCRL	12,524
Less: Adjustment due to merger	(1)
Net cash generated from operating activities post-merger	**42,302**
Net cash used in investing activities	
As per financial statements of FY 2020-21	(12,141)
Add: Net cash used in investing activities of SCRL	(702)
Less: Adjustment due to merger	(3,230)
Net cash used in investing activities post merger	**(16,073)**
Net cash generated from financing activities	
As per financial statements of FY 2020-21	1,624
Add: Net cash used in financing activities of SCRL	(9,824)
Add: Adjustment due to merger	3,231
Net cash used in financing activities post merger	**(4,969)**
Net increase in cash and cash equivalent	
As per financial statements of FY 2020-21	19,262
Add: Net increase in cash and cash equivalent of SCRL	1,998
Less: Adjustment due to merger	-
Net increase in cash and cash equivalent post merger	**21,260**

Notes:

1. Represents elimination between Transferor Company and Transferee Company.
2. Effects of alignment of accounting policies between transferor Company and transferee Company.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

41. The Board of Directors at their meeting held on January 28, 2022, approved a proposal to merge its wholly-owned subsidiary "Jajpur Cements Private Limited" with the Company subject to necessary regulatory approvals to be obtained in due course.

42. 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.

43. Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2022 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	2,673	151	98	14	2,936

Ageing for capital work-in-progress as at March 31, 2021 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	1,059	1,749	30	6	2,844

There are no projects where activity has been suspended or completion is overdue or exceeded its cost compared to its original plan.

44. (a) Warrants and proceeds

During the year ended March 31, 2019, the Company made a preferential allotment of 31,00,000 convertible warrants of ₹ 730 each to promoter and non-promoter entities on January 24, 2019 and received 25% of the consideration of ₹ 5,658 upon allotment of such warrants. The objective of raising funds through preferential allotment was to invest in Sagar Cements (M) Private Limited (SCMPL) (Formerly known as Satguru Cement Private Limited) and Jajpur Cements Private Limited (JCPL) for setting up a green field integrated cement plant of 1 million MT per annum capacity along with a provision for Waste Heat Recovery power plant at Indore and for setting up of a cement grinding plant of 1.5 million MT per annum at Odisha respectively and for other general corporate purposes.

During the previous year, the warrant holders opted to convert 12,25,000 (March 31, 2020: 18,75,000) warrants to equal number of equity shares and basis of this 75% of the consideration against warrants as converted of ₹ 6,706 (March 31, 2020: ₹ 10,266) was received. The entire amount was utilised for the purposes for which funds were raised. With the said conversion, there are no more outstanding warrants requiring further conversion into equity shares.

(b) Investment in subsidiaries

The Company acquired 100% equity stake in JCPL on May 02, 2019 for a consideration of ₹ 450 and subsequently infused ₹ 3,450 as additional equity into JCPL. During the year ended March 31, 2021, the Company had infused an amount of ₹ 4,325 as additional equity into JCPL. Further, the Company has infused an amount of ₹ 2,575 as additional equity into JCPL during the year ended March 31, 2022.

During the year ended March 31, 2020, the Company had invested an amount of ₹ 15,000 in SCMPL on May 08, 2019, for acquiring 28,97,143 equity shares (face value of ₹ 10 each at a premium of ₹ 507.75) allotted to the Company on preferential basis, which constitutes 65% equity stake in SCMPL. Of the said investment, the Company has disbursed ₹ 8,900 and the balance amount of ₹ 6,100 has been disbursed in the year ended March 31, 2021. Further, the Company has subscribed for 3,76,630 shares issued by the SCMPL on preferential basis for an amount of ₹ 1,949 during the year ended March 31, 2022.

45. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long-term borrowings of ₹ 6,628 as at March 31, 2021 in the financial statements have been reclassified from 'Other current financial liabilities' to 'Short term borrowings'.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

46. Relationship with struck off company:

Name of Struck off Company	Relationship with the Struck off Company	Nature of transactions	Transactions during the year ended March 31, 2022	Transactions during the year ended March 31, 2021	Balance outstanding as at March 31, 2022	Balance outstanding as at March 31, 2021 *
Noble Infra Projects India Private Limited	Customer	Advance received from customer	-	-	-	0.39
James and James Building Materials Private Limited			-	-	-	2.93
Pioneer Distilleries Limited			-	-	-	0.48

* Residual balances outstanding relates to transactions undertaken prior to strike off. These balances were written back during the year.

47. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% of Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	1.67	1.52	10%	-
Debt-Equity Ratio	Debt (1)	Net Worth (2)	0.69	0.34	101%	2
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment (3)	2.05	3.44	(40%)	1
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.08	0.18	(52%)	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory (4)	10.50	11.30	(7%)	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable (5)	12.79	10.66	20%	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables (6)	5.51	3.97	39%	1
Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	(20.41)	190.76	(111%)	1
Net profit ratio	Profit after tax	Sales of Products and Services	6.63%	13.95%	(52%)	1
Return on Capital employed	Earnings before interest and taxes	Average Capital Employed (7)	0.13	0.22	(43%)	2
Return on Investments	Income generated from investments	Time weighted average investments	Nil	Nil	-	3

(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 + Reserves and Surplus

(3) Excluding refinanced debt for all the loan funds during the period

(4) Average inventory = (Opening + Closing balance) / 2

(5) Average trade debtors = (Opening + Closing balance) / 2

(6) Average trade payables = (Opening + Closing balance) / 2

(7) Capital Employed = Total Assets - Current Liabilities

Notes:

1. During the Financial Year ended March 31, 2022, there had been a significant increase 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, 2022, the Company had taken loan for inorganic and organic growth, this resulted into variations in ratios as reported above.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

3. Company had made investments in subsidiaries, as the subsidiary companies has commenced its operations during the year, the return on investment is reflected as Nil.

48. In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

49. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

50. COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Company has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial results in determining the possible effects on the carrying amounts of Investments made in the subsidiaries, goodwill, Inventories, receivables and other current assets, that may result from the COVID-19 pandemic. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

51. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) 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,

(v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not any 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.

52. These financial statements were approved by the Company's Board of Directors on May 11, 2022.

For and on behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 11, 2022