SAGAR CEMENT

42nd Integrated Annual Report
2022-23

Striding ahead.
Steady and sustainable.

Jeerabad, M.P. Plant

Striding ahead. Steady and sustainable.

With each passing year, Sagar Cements is growing stronger and more versatile in all areas of business. From doubling capacity to incorporating innovative solutions, we are navigating our way forward. Producing quality cement is our trademark and we do this with much love and care for the environment and people. We stand on our commitment towards building a sustainable future and promoting shared growth.

Marching ahead we see to have a positive transformation by incorporating sustainability goals in our business model to benefit stakeholders in the long term. Over the coming years, our ESG ambitions will help us prove our worth by abiding by the commitments we have made towards the environment, people, and business. As the need of the hour is to have a business that upholds carbon commitments, we are on track to do it proactively. The forty plus years of legacy will shine brighter as the efforts we take today will bear fruits tomorrow.

Gudipadu, A.P. Plant

Contents

ESG Vision 2030

We have been undertaking a host of initiatives across various ESG parameters. We believe integrating sustainability objectives into our core business strategy is a value-creation imperative, which comes with significant long-term benefits for all our stakeholders. In order to further strengthen our ESG commitment, we have codified an ESG vision and roadmap, where we have targets across key focus areas over the medium (2030) and long term (2050).

ESG focus areas

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

Read more on page **32**

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

Read more on page **40**

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

Read more on page **46**

About this report

We are proud to present this fourth annual integrated report of Sagar Cements Limited (SGC). The objective of the report is to communicate how SGC creates, retains and enhances its stakeholder value. This report provides details of the organisation's credentials and the environment in which the Company operates.

It articulates how the Company, through its strong financial and non-financial performance, is able to meet shareholders' expectations by leveraging good governance practices, a robust business model, a future-forward strategic framework, and sustainability commitments. The report discloses our performance across six capitals – Financial, Manufactured, Intellectual, Human, Natural, and Social and Relationship, thereby providing insights on our value creation efforts towards our stakeholders.

Reporting period

This report covers the disclosures that have happened during the financial year FY2023 (1st April 2022 to 31st March 2023) unless mentioned otherwise.

Scope and boundaries

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

Frameworks

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

The report complies with the following requirements:

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

Safe harbour

Certain matters discussed in this report may contain statements regarding the Sagar Cement's (the Company) market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the cement industry in India and world-wide, competition, the Company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, change in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this presentation. The Company assumes no obligation to update any forward-looking information contained in this communication. Any forward-looking statements and projections made by third-parties included in this communication are not adapted by the Company and the Company is not responsible for such third-party statements and projections.

Assurance

The standalone and consolidated financial statements provided in the report are audited by Deloitte Haskins & Sells, the statutory auditors of the Company. The non-financial data in this report have been reviewed by TUV India Private Limited.

The members of the Board along with the senior management at Sagar Cements have reviewed the information presented in this integrated report for consistency, clarity and fairness of the messaging. The report is approved for public release on 5th June 2023.

Feedback

We value your feedback that would enable us to disclose relevant information in an effective and transparent manner. For any suggestions and queries, please write to us at: feedback.ir@sagarcements.in

Read about our ESG efforts on Page 30 and ESG disclosures in the Business Responsibility and Sustainability Report on Page 99.

Our capitals

Financial capital

Financial resources utilised and secured for the future

Material topics

- Economic performance and profitability
- Interest payment
- Tax and economic contribution
- Return on investment

Manufactured capital

Assets covering cement plants and mines used for the production of cement and building materials

Material topics

- Order fulfilment
- Responsible sourcing and alternate raw materials

Intellectual capital

Research and innovation producing best-in-class products for our customers and supporting growth

Material topics

- Technology and process innovation

Human capital

A pool of skilled employees and labour on contract, along with consistent efforts to enhance knowledge, skills, experience and motivation

Material topics

- Benefits fair compensation and social security
- Occupational health, safety and well-being
- Employee relations and engagements

Social and relationship capital

Collaboration with stakeholders including customers, community impacted by our operations, suppliers, vendors and contribution to their growth

Material topics

- Customer satisfaction
- Brand and reputation

Natural capital

Natural resources used and impacted by Sagar's mining and cement production

Material topics

- Transport and logistics
- Waste management and circular economy
- Climate and energy

Read more on value generated through the capitals on page **20**

Highlights of the year

Steady performance

Financial

Revenue (₹ in Lakhs)

2,22,954

40% YoY

EBITDA (₹ in Lakhs)

15,318

44% decline YoY

PAT (₹ in Lakhs)

850

86% decline YoY

Operational

Cement Produced (MT)

47,60,282

32% YoY

Green Energy Generated (MWh)

99,484

22% YoY

Capacity Utilisation

58%

(61% in FY22)

Recycled Water (KL)

80,653

105% YoY

Specific Water Consumption (Ltr/Ton)

112

91 Ltr/Ton in FY22

Thermal Substitution Rate (TSR)

3.31%

3,76% in FY22

Environment

Specific Power Consumption (kWh/ton)

77.79

(75.93 in FY22)

Reduction in GHG Emissions (%)

0.4%

Specific CO_2/Tonnes (in)

700.28 kgs

(703.08 in FY22)

Waste Recycled (MT)

10,24,507

YoY growth YoY decline

** All specific consumption is for cementitious material

Social

Employee Strength

2,907

CSR Spending (₹ in Lakhs)

306

(255 Lakhs in FY22)

Fatalities

Zero

Lives Impacted

69,629

(42,000 in FY22)

Governance

Female Directors on Board

3

Independent Directors on Board

33%

Average attendance at Board meetings

95%

Jeerabad, M.P. Plant

Building trust

Sagar Cements is a leading cement manufacturer in India with a strong presence in the Southern markets and expanding footprint in the Central and Eastern parts of the country. We have been producing high-quality cement for over four decades and have earned to be a trusted name in the construction industry. Our manufacturing units are strategically located in the southern, central, and eastern regions of the country. We are committed towards sustainable manufacturing practices reducing our environmental impact through innovative processes.

Our Mission

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

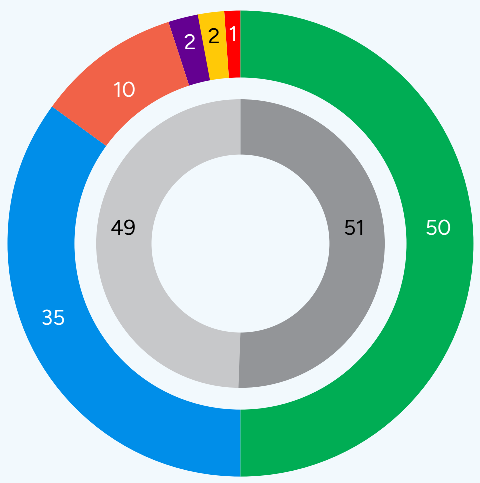
Our Vision

To provide foundations for the society's future

Product portfolio

Product name	Description	Green Certification
Ordinary Portland Cement (OPC)	Known as grey cement which includes 90-95% clinker, 5-10% gypsum and other materials	–
Portland Pozzolana Cement (PPC)	Blended cement consisting of 15-35% pozzolanic material, 4% gypsum and balance clinker.	GreenPro Gold and Platinum
Portland Slag (PSC)	Consists of 25-75% granulated slag, 3% gypsum and balance clinker.	GreenPro Gold and Platinum
Ground Granulated Blast-furnace Slag (GGBS)	Used as a partial replacement of cement in concrete. Acts as a stabilising agent when added as an admixture to concrete.	GreenPro Platinum
Sulphate Resistant Cement (SRC)	It is a type of Portland cement with Tricalcium Aluminate (C3A) < 5% and C3A and calcium aluminoferrite (C4AF) combined <25%	–

Share in total portfolio (%)



Sagar Cements at a glance

10.85 MTPA
Total production capacity

A/Stable
Long-term issuer rating by India Ratings and Research

828.095 MnT
Limestone resources

74
Warehouses

2,675
Channel partners

11
Offices

6.40 MTPA
Clinker capacity

1
R&D facility

96.96 MW
Total captive power capacity

2
New products launched in FY2023


Gudipadu, A.P. Plant

Plant wise capacity

With a strong trust and goodwill built for almost four decades, we have been ramping up our capacity gradually. These achievements are a feather in our cap that has gone a long way in making what we are today.

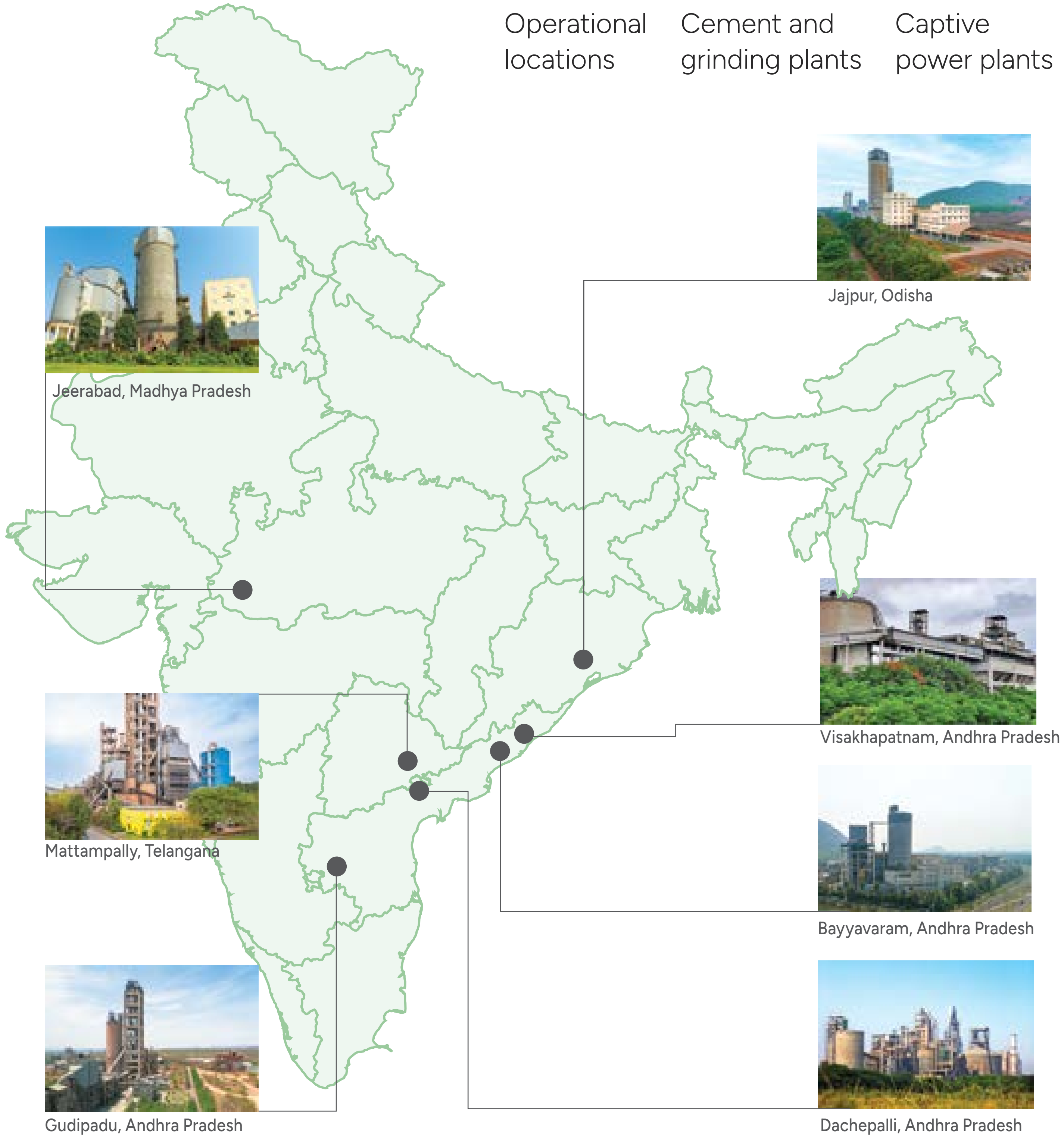
Plants	Capacity MTPA	Captive power MW	Thermal Power MW	Green energy MW	Limestone resources MnT	Markets
Integrated Plant						
Mattampally, Telangana	3.00	28.23	18.00	10.23	398.27	AP, TS, TN, OD, MH
Gudipadu, Andhra Pradesh	1.25	25.00	25.00		166.16	AP, KA, TN, TG
Jeerabad, Madhya Pradesh	1.00	5.30		5.30	65.25	Western MP, GJ, RJ, MH
Dachepalli, Andhra Pradesh	1.80	30.00	30.00		198.42	TS, AP, TN & KA
Grinding Unit						
Bayyavaram, Andhra Pradesh	1.50	8.43		8.43		AP and South OD
Jajpur, Odisha	1.50					OD, WB, JH
Visakhapatnam* Andhra Pradesh	0.80					AP and South OD

Note: * It is proposed to decommission this Plant in due course.

10 Operational locations

7 Cement and grinding plants

3 Captive power plants



Map not to scale

Our journey

- **1985** Plant commissioned with **200 TPD** kiln four stage preheater technology
- **1993** Installation of separate line Calciner with 5 stage pre-heater and jaw crusher
- **1996** Additional cement mill and tertiary crusher
- **1998** Installed KIDS cooler which is a clinker inlet distribution system
- **2008** JV with Vicat to set up **5.5 MTPA** cement plant in Karnataka
- **2015** Acquired BMM Cement having **1 MTPA** capacity
- **2016** Acquired Bayyavaram unit and ramped upto **0.3 MTPA**
- **2017** Commissioned WHRS **7.5 MW** and Solar Power **1.25 MW**
- **2018** Bayyavaram capacity ramped upto **1.5 MTPA**
- **2019** **65%** stake in Satguru Cement, MP and **100%** stake in Jajpur Cement, Odisha
- **2022** Commissioned **1 MTPA** integrated plant at Jeerabad, MP and **1.5 MTPA** grinding unit at Jajpur, Odisha
- **2023** Acquired Andhra Cement with capacity of **2.6 MTPA**

Investment case

What differentiates us

Identifying the future prospects of infinite growth opportunities, we are transforming ourselves to be mightier with each passing year. Sagar Cements is determined to consistently keep its hallmark of producing quality cement for varying needs through innovative approaches.

1
Inorganic Business Expansion Plans

Acquisition of Andhra Cements to strengthen market position in South India. The ₹ 922 Crores acquisition of Andhra Cements will add a 2.6 MTPA cement capacity in South India, taking the total capacity over 10 MTPA. The key end-use markets for Andhra Cement are Telangana, Andhra Pradesh and Tamil Nadu. It is proposed to spend an additional amount of around ₹ 470 Crores for the enhancement of Andhra Cement unit capacity by 1.2 MT and clinker production by 0.6 MT by second half of FY2025. Accordingly, the total capex stands at ₹ 1,400 Crores and the capacity comes at ~$ 56 per tonne.

2
New and growing plants to Drive Sales Growth

Sales volume growth in FY2023 was due to a combination of an increase in the volumes in South India and additional volumes from the newly constructed plants in Madhya Pradesh and Odisha. The ramp of these new plants along with the increasing utilisation of existing plants, will be a key growth driver. This will be supported by growth in increasing penetration in the central region, which has low-per capita cement consumption.

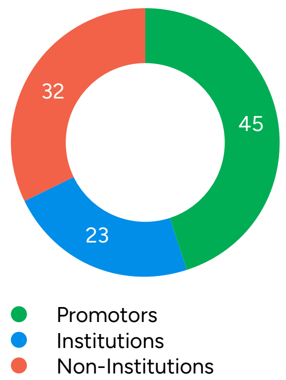
3
Geographically Diversified with Significant Presence

Sagar Cements is a major brand in the Krishna river belt of southern India. The new capacity additions in Madhya Pradesh and Odisha have not only increased scale but also enhanced the Company's geographical diversification. From being primarily a southern India-based player, Sagar Cements is now developing its presence in the faster-growing eastern India market and under-penetrated central India market.

4
Simplification of Corporate Structure

The completion of the merger of the wholly-owned subsidiary Sagar Cements (R) Limited with itself in March 2022, and the ongoing process to merge JCPL will lead to a simplified corporate structure. This is expected to lead to optimisation of operational and administrative costs, operational synergies, and easing of statutory compliances.

Shareholding pattern (%)



5
Ramp up of new plants to improve the financial profile

As the newly added plants increase production in FY2024, the profitability and cash flows will likely lead to the strengthening of Sagar Cements balance sheet. Prudent capital allocation along with sufficient liquidity at hand will likely balance the growth and financial profile of the Company.

Key performance indicators

Delivering commitments

Operational metrics

Cement production
(in MT)

32% (YoY growth) | 8% (5-year CAGR)

FY23	47,60,282
FY22	36,00,309
FY21	30,67,099
FY20	30,44,236
FY19	32,54,043

Clinker production
(in MT)

21% (YoY growth) | 7% (5-year CAGR)

FY23	35,70,565
FY22	29,43,173
FY21	23,00,568
FY20	23,83,733
FY19	24,96,489

Financial metrics

Net sales
(₹ Lakhs)

40% (YoY growth) | 13% (5-year CAGR)

FY23	2,22,292
FY22	1,59,334
FY21	1,35,257
FY20	1,15,993
FY19	1,21,032

EBITDA
(₹ Lakhs)

-44% (YoY growth) | 1% (5-year CAGR)

FY23	15,318
FY22	27,577
FY21	40,044
FY20	18,550
FY19	14,941

Average capital employed
(₹ Lakhs)

22% (YoY growth) | 18% (5-year CAGR)

FY23	2,83,527
FY22	2,32,390
FY21	1,73,364
FY20	1,34,571
FY19	1,23,053

Average Return on Capital Employed (RoCE) (%)

2% (5-year CAGR)

FY23	8
FY22	8
FY21	19
FY20	8
FY19	7

YoY growth | 5-year CAGR

EBITDA margin
(%)

-59% (YoY growth) | -10% (5-year CAGR)

FY23	7
FY22	17
FY21	30
FY20	16
FY19	12

Profit before tax
(₹ Lakhs)

-82% (YoY growth) | -4% (5-year CAGR)

FY23	1,847
FY22	10,400
FY21	28,063
FY20	4,967
FY19	2,320

Profit after tax
(₹ Lakhs)

-86% (YoY growth) | -9% (5-year CAGR)

FY23	850
FY22	5,915
FY21	18,612
FY20	2,653
FY19	1,359

Earnings per share
(₹)

-87% (YoY growth) | -37% (5-year CAGR)

FY23	0.66
FY22	5.03
FY21	16.09
FY20	2.47
FY19	6.66

PAT margin
(%)

-90% (YoY growth) | -19% (5-year CAGR)

FY23	0.40
FY22	4
FY21	14
FY20	2
FY19	1

Net fixed assets
(₹ Lakhs)

35% (YoY growth) | 16% (5-year CAGR)

FY23	2,89,258
FY22	2,14,858
FY21	1,81,894
FY20	1,49,194
FY19	1,35,420

Chairman's statement

Scaling new heights

As Sagar Cements continues to grow at a significant pace, capturing new markets and implementing innovative practices across the Board, it becomes a strategic imperative to assess performance and progress through the sustainability lens."

Shri. K. V. Vishnu Raju
Chairman

Dear Stakeholders,

A warm welcome to all the readers as the new chairperson of Sagar Cements. I am privileged to work with a trusted and reputed brand in the Cement manufacturing sector today and I hope that with all your support, we can make it attain new heights. I am happy to share that we have become the successful bidder for Andhra Cement in the National Company Law Tribunal (NCLT) process. This acquisition essentially adds 2.6 MTPA capacity taking our total capacity over 10 MTPA. We have been able to achieve our targeted capacity of 10 MTPA two years in advance, and this I think will go a long way in strengthening our presence in the southern market.

Cement industry

A 6-8% increase in cement production is expected in the next fiscal driven by booming demand induced because of large-scale infrastructure projects undertaken by the government. The demand is set to remain high and the whole cement industry is feeling optimistic about these developments. This is expected to drive top-line for cement companies in the short to medium term as manufacturers are gearing up with capacity augmentations.

We have been able to achieve our targeted capacity of 10 MTPA two years in advance, and this I think will go a long way in strengthening our presence in the southern market.

In FY2023, we developed our ESG roadmap with targets for 2030 and 2050. This ambitious undertaking will enable us to switch from an energy-intensive to a net-zero cement company

Changing dynamics

A by-product of globalisation, any unfavourable event in one part of the world can trigger a chain reaction that affects the rest of the world. Rising raw material and energy costs add up to 60% of our production costs. While we are keeping our dependence on imported coal to a minimum, an elevated freight and fuel cost is affecting us.

Tech adoption

Large scale technology upgradation has enabled us to bring in efficiency in our manufacturing and operation processes. We are collecting and monitoring data over multiple touch points that is allowing us a better control over production and quality. Revenue benefits are achieved through the application of AI powered smart systems while also taking us one step ahead in realising our green commitments. I believe investing in innovative supply chain strategies can give us cost benefit as we can drive the logistics and transport in a much better way. It should be looked at as a tech enabled function which would help us optimise costs.

ESG and business

In FY2023, we developed our ESG roadmap with targets for 2030 and 2050. This ambitious undertaking will enable us to switch from an energy-intensive to a net-zero cement company. It will open new gateways for securing investments under green financing. We have put in place well-defined policies and undertaken focused initiatives to reduce our environmental footprint, while strengthening relationships with our stakeholders. We continue towards reaching zero CO_2 emissions in the near future with the help of innovative carbon capture technologies and solar calcination of limestone.

I take this opportunity to thank our people who have put in tremendous efforts to help us achieving our objective. In addition, I want to sincerely thank all our investors, clients, partners, communities, and other stakeholders who have placed their trust in Sagar Cements. We are humbled by your support and encouragement and assure to attain newer heights with our persistent hard work.

Best regards,

K. V. Vishnu Raju
Chairman

Message from MD and JMD

We believe, we can

"FY2023 has been a year of strategic growth for us at Sagar Cements. We launched our ESG Vision and Roadmap which lays out our 2030 and 2050 targets while we are also adding to our overall geographic presence, gaining market access, and enhancing production capacity, all in a sustainable manner."

Dr. S. Anand Reddy

Shri. S. Sreekanth Reddy

58%
Capacity utilisation during FY2023

4 basis points
Reduction in GHG emissions

From a balance sheet perspective our net worth has increased 6x times in the last 10 years.

We reduced our GHG emissions by 0.40% this year and we are sure we will further tame them in the coming years.

Dear Stakeholders,

It has been an interesting year for Sagar Cements and We would like to thank everyone for your support that has contributed to the growth story of our brand.

Yearly overview

The market picked up very well post-COVID-19. However, the geopolitical instabilities have critically impacted the crude prices and other raw material costs for most of the year. The main reason for the increase in power and fuel cost was the corresponding hike in pet coke and coal. To tackle this, our cost optimisation strategies came into action, and we undertook steps to improve our operational infrastructure by building railway sidings, captive power plants and waste heat recovery systems. We were also able to control outward freight costs by a reduction in the lead distance from 298 kms to 275 kms.

Financial performance

Revenue for FY2023 was ₹ 2,230 Crores which is 40% higher on YoY basis. Cement demand has increased post-monsoon fuelled by the construction boom and other infrastructure projects. Despite strong sales, profitability has taken a hit largely due to the rise in raw material and fuel cost. The PAT for the year was ₹ 8.50 Crores and debt equity ratio was 0.87. Operating margins were at 7%. Our capacity utilisation during FY2023 was 58%. From a balance sheet perspective our net worth has increased 6x times in the last 10 years.

Inorganic growth

We have successfully acquired Andhra Cements Limited, which was funded by ₹ 600 Crores debt and ₹ 322 Crores equity. With an additional 2.6 MTPA capacity, we have achieved our objective of crossing 10 MTPA production capacity by 2025. This acquisition has helped consolidate our presence in the Southern India and enable us to serve our customers efficiently.

Caring for people and planet

Being a planet-conscious brand, we are ingraining approaches that reduce our environmental impact. That includes the use of blended cement, installing waste heat recovery, and recycling of our waste and water. We reduced our GHG emissions by 0.40% this year and We are sure we will further tame them in the coming years. We plan to incorporate best practices across the value chain to bring down our environmental impact. Our roadmap to net zero envisions to achieve this through increasing the share of green energy and alternate raw materials. We are reducing transport emissions by reducing lead distances and promoting the use of Green vehicles. Sagar Cements is set on a path to bring down Scope 1 emissions to 495 kg Net CO_2/MT and Scope 2 emissions to 8 kg Net CO_2/MT by the year 2030.

Our people policy has always been inclusive and take into account what our employees seek from us. We conduct engagement surveys to seek feedback from our people which gives us an insight into several areas such as career growth, aspirations, work-life balance, productivity to name a few. We are happy to share that we have received recognitions for our work in pursuit of being a responsible cement manufacturer. Bayyavaram plant was awarded with 'National Energy Conservation Award' for the Cement sector. It is a feather in our cap from the Government of India towards achieving energy optimisation. We have also received certificate of appreciation from state tax authorities for being tax compliant. Moreover, we have also received the 'Best Management Award' from the Government of Telangana, second year in a row, which is a matter of great pride for us. We assure you that Sagar Cements will continue to strive for being a sustainable brand.

We thank everyone for your continued trust in us and we hope in the coming year we achieve greater heights together.

Best regards,

Dr. S. Anand Reddy and S. Sreekanth Reddy

Value Creation Model

Delivering sustainable performance

Our growth, market success and operations are enabled by a wide group of key stakeholders. We proactively engage with each of them, continuously address their concerns and focus on delivering value aligned to their expectations.

Vision and Mission

Inputs

Financial capital
Pool of funds allocated and utilised for all business activities.

Total Equity: **₹ 1,68,893 Lakhs**
Total Debt: **₹ 1,47,212 Lakhs**
Capital commitment as on Mar 2023: **₹ 8,563 Lakhs**

Manufactured capital
Assets built or owned that facilitate production, storage and delivery of goods.

Cement and grinding plants: **7**
Captive power plants: **3**
Hydro power plants: **2**
Limestone resources: **828.10 MnT**

Intellectual capital
Organisation's all intangible assets that contributes to its bottom line.

R&D investment: **₹ 30 Lakhs**
Digitisation cost: **₹ 59 Lakhs**
Use of robotics in plant operations: **4.0**

Human capital
Talent acquired and nurtured to manage all business activities.

Employee strength: **2,907**
Total employee expense: **₹ 9,934 Lakhs**
Total training hours: **52,390**

Social and relationship capital
Building trusted partnerships with key stakeholder groups.

CSR Spent: **₹ 306 Lakhs**
Distributors/Dealers: **2,675**

Natural capital
Resources provided by the natural world that are impacted due to business operations.

Total Energy consumed **10,811 TJ**
Limestone Mined **4.92 MnT**
Slag consumed **0.36 MnT**
Gypsum consumed **0.15 MnT**
Fly ash consumed **0.58 MnT**
Coal Consumed **0.48 MnT**
Fresh water withdrawal **2 44 441 KL**

Risk management

Upstream activities

Raw material procurement → Mining

Inbound logistics
Clinker production
Grinding ← Waste collection and recycling

Downstream activities

Packaging
Outbound logistics
Distribution and marketing
End use

Support functions

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

Performance

Governance

Outputs

Cement

23,77,042 MT
Ordinary Portland cement (OPC)

16,63,942 MT
Portland Pozzolana Cement (PPC)

4,62,794 MT
Portland Slag Cement (PSC)

60,410 MT
Sulphate Resistant Cement (SRC)

99,800 MT
Composite Cement (CC)

96,296 MT
Ground Granulated Blast-furnace Slag (GGBS)

35,70,565 MT
Clinker Production

1,966 MT
Steel scrap

112.46 MT
Tyres, oil, grease and others

Outcomes

Financial capital
Revenue: **₹ 2,22,954 Lakhs**
PAT: **₹ 850 Lakhs**
RoCE: **8%**
Dividend: **35%**
Market Capitalisation: **₹ 2,48,018 Lakhs**

Manufactured capital
Capacity utilisation: **58%**
Clinker factor: **75%**
Production of high margin products: **50%**

Intellectual capital
New products launched: **2**
Blended cement produced: **22,86,946 MT**
Process improvement achieved – TSR ratio, blended cement volumes: **23,83,242 MT**

Human capital
LTIFR: **1.6**
Retention rate: **83.47%**
Fatalities: **0**
Employee productivity: **0.67 ton/manhour**
Training hour: **52,390**

Social and relationship capital
CSR beneficiaries: **69,629**
Number of complaint received: **NA**
Number of complaint resolved: **NA**
India ratings: **IND A/Stable**
Contribution to exchequer: **₹ 79,228 Lakhs**

Natural capital
Total Waste recycled: **10,24,507 MT**
Total Water recycled: **80,653 KL**
Waste to landfill: **0 MT**
Water positive: **6.8 times**

Value generated for stakeholders

Growing together

At Sagar Cements, we constantly strive to meet the expectations of our stakeholders to the best of our ability. It mandates us to upgrade ourselves with new and relevant operational practices. This shared value helps us grow along within this ecosystem. For us, that is sustainable development in true spirit.

Investors

Dividend (%)

35%

Delivering higher returns for our capital providers through dividends and share value appreciation

Customers

OPC, PPC, PSC, GGBS, CC and SRC to meet customer demand.

2 New products launched during FY2023

Building a new India for our customers realising their dream of making an infrastructure-rich nation and product range

Employees

Trainings conducted

380

Total participants

2,303

Total employees covered under annual health checkup 2,650

Regulators

Contribution to the exchequer through the payment of taxes (₹ in Lakhs)

79,228

(PY 51,726; up by 53% YoY)

Communities

CSR beneficiaries

69,629

CSR spend (in Lakhs)

₹306

Giving back to the people through livelihood generation, skill development, health and hygiene

Environment

Green energy (%)

27

Native plant species grown

1,83,112

Contributing towards making our surroundings cleaner and greener with each passing day

Suppliers and vendors

Vendor engagement

1,321

Procurement from local suppliers (%)

92

We are proud to educate our suppliers about our responsible sourcing practices encouraging them to reciprocate it into their business ecosystem

Materiality

Deriving mutual benefits

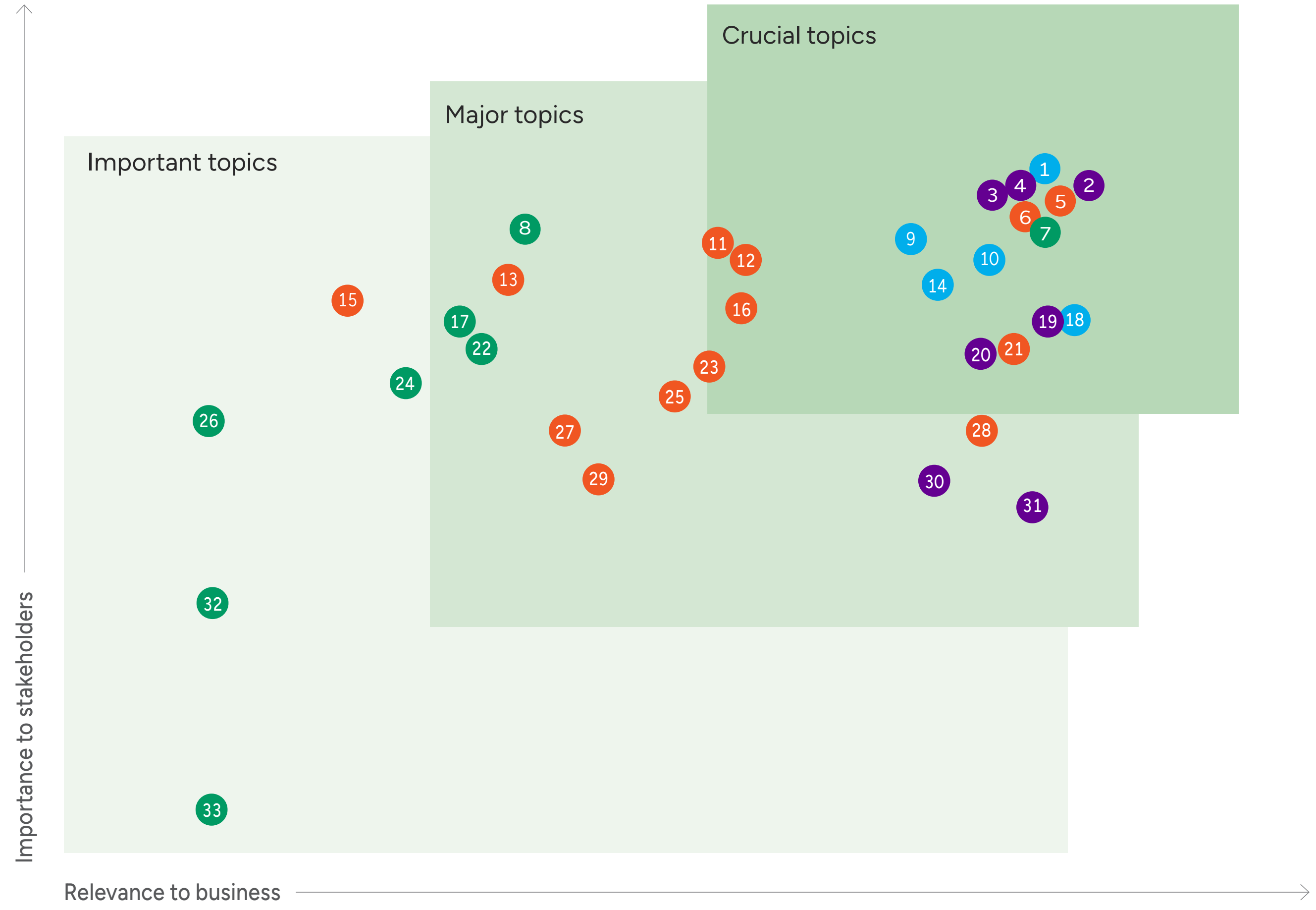
A detailed exercise was undertaken in FY2021 to identify critical concern areas for the organisation and its stakeholders. These material topics have a significant impact on our ability to perform as a sustainable organisation. They were then ranked from high to low priority after consulting with our management and stakeholders. It involved the below step-by-step approach.

Materiality assessment process

Peer review and benchmarking for potential topics	Interaction with senior management	Stakeholder engagement survey	Response analysis	Mapping stakeholder and organisational priorities	Materiality matrix development

Jeerabad, M.P. Plant

Materiality Matrix



Material topics

Most critical

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

Critical

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

● Environmental ● Social ● Governance ● Economic

Taking reference from these material topics, we have further defined 13 core areas that has the potential to create a positive transformation across ESG parameters. They support our vision statement and are in alliance with disclosure standards, ESG ratings and frameworks.

Read more on 30

External environment

From headwinds to tailwinds

India continues to be on a growth spree and has become the fifth-largest economy overtaking the United Kingdom. Continuing to retain its position, India will become a $ 3.7 trillion economy in the year as per estimates suggested by the Reserve Bank of India. India's growth is principally led by private consumption and capital formation that has helped in employment generation.

Leaving the impact of COVID-19 behind, India was able to achieve credit growth through schemes such as Emergency Credit Linked Guarantee Scheme (ECLGS). The rise in GST payments has verified this trend.

As a result of the infra push and increase in housing demand, cement consumption reached 355 million tons in FY2022 and is expected to reach 450 million tons by the end of FY2027. The industry is expected to add around 80 million tons capacity by FY2024 which is supposed to be the highest in 10 years.

₹111 Lakhs Crore

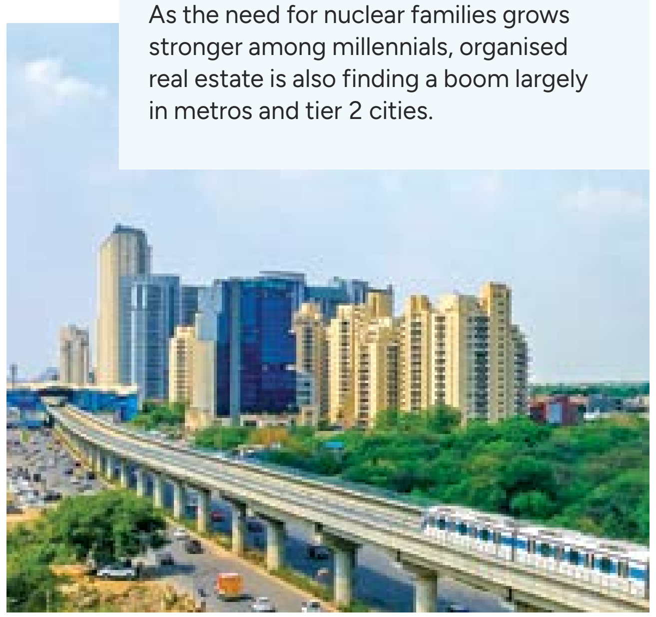
Investment in National Infrastructure Pipeline between 2020-2025

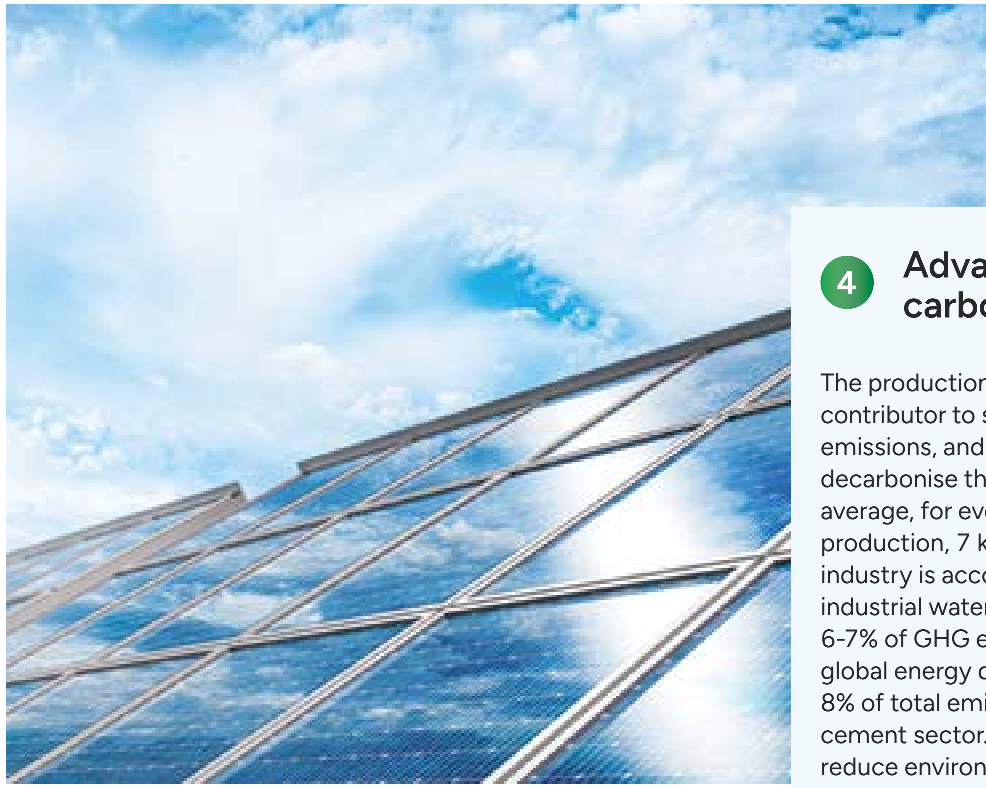
1 Government's push to capex

Provision for ₹ 10 Lakhs Crores has been made in the Union Budget 2023-24 for Bharatmala Pariyojana, Sagarmala Project, Smart Cities Mission, AMRUT (Atal Mission for Rejuvenation and Urban Transformation) and PMAY (Pradhan Mantri Awas Yojana). These hallmark projects will surely add significant importance to India's growth story. The government is continuing this trend by undertaking large-scale infrastructure development projects. As a result, there will be increased demand for cement consumption domestically. Cement and allied sectors are bound to be benefitted with this infra spending spree.

2 Housing demand

Around 65% of cement consumption is accounted for the housing sector and is a key demand driver for the industry. 40% of India's population will live in cities by 2030. Under the PMAY, the government has allocated ₹ 48,000 Crores to build 8 million houses in the affordable segment. This commitment to funding the housing shortages in metropolitan areas is expected further to stimulate growth in the building industry and cement consumption. As the need for nuclear families grows stronger among millennials, organised real estate is also finding a boom largely in metros and tier 2 cities.





3 Rising costs

Inflationary pressures and the extended Russia-Ukraine crisis has elevated prices of pet coke and imported coal. Power and fuel constitute around 35% of production costs, and hence higher raw material costs significantly impact the bottom line. To counter higher input prices, cement producers have increased their product prices. However, the price increase fell substantially short of the skyrocketing input costs, putting operating margins of cement producers under pressure. It is expected that the input costs to stablise towards the end of the year and a reduction in GST will help maintaining margins without pushing price hike to customers.

4 Advancement in low carbon innovation

The production of concrete is a contributor to significant carbon emissions, and it is necessary to decarbonise the cement industry. On an average, for every dollar earned in cement production, 7 kg of CO_2 are emitted. This industry is accountable for nearly 9% of industrial water withdrawals worldwide, 6-7% of GHG emissions, and 2-3% of global energy demand. In India alone, 8% of total emissions come from its cement sector. Companies are striving to reduce environmental harm through R&D investments such as low-carbon fuels, blended cements, and carbon capture technologies. By switching to renewable natural gas and carbon-neutral fuels, emission reduction of up to 40% can be realised. Indian cement providers are also involved in this transition, using more fly ash instead of clinkers and investing in circular economy.

Managing risks effectively

Our risk management framework secures the interest of our business from internal as well as external volatilities. It acts as a safeguard that tracks, targets, and mitigates existing and emerging risks. A timely identification of any potential threat can be moderated through a robust risk framework.

Guiding principles

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

Shareholder value based

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

Embedded

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

Supported and assured

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

Reviewed

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

Risk governance framework

Board of Directors

↓

Audit Committee | Compliance Team

Human Resources | Finance and Taxation | Plant Operations | Secretarial | Other Functions

Approach to risk management

We have adopted a top-down approach for identifying and managing risks across the organisation. In the top-down approach, the principal challenges impacting the achievement of the organisational objectives have been articulated. Accordingly, the risk library comprises key strategic and business risks applicable. Initially, mitigation plans would be drawn up only for Risks That Matter (RTM), which would then be extended to all the risks identified over a period of time.

Our Risk Team is headed by JMD, and comprises all heads of processes, together with the Company Secretary. The team reviews the day-to-day risks of the organisation and conducts a risk review meeting once a quarter to analyse the effectiveness of risk mitigation plans. Following the evaluation, new set of risks can be identified and their mitigation strategy is decided.

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

Risk management process

An effective risk management process requires consistent assessment, mitigation, monitoring, and reporting of risk issues across the length and breadth of the enterprise. Essential to this process is a well-defined methodology for determining the corporate objectives and strategy. At SGC, this entire process is aligned with the annual budgeting processes, and each business function is required to present the results of the risk management exercise as a part of their respective budget presentation.

1. Risk assessment and reporting
2. Risk mitigation
3. Risk monitoring and assurance

Gudipadu, A.P. Plant

Strategic risks

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

Stakeholders

The stakeholders of an organisation usually comprise its employees, shareholders, customers, suppliers, business partners, the community in which it operates, and the government (including regulatory bodies). This category, therefore, covers the risks related to shareholder confidence, changes in government policies, over-dependencies on customers and suppliers, and ineffective business partnerships.

Governance

Governance signifies the way an organisation is led and managed in the pursuit of its objectives. This category would cover risks, which may arise due to inappropriate strategic focus/direction or resource allocation, inadequacy of business monitoring, actions impacting the reputation of the Company, or the improper/immoral conduct of employees.

Market structure

Market structure refers to the dynamics of the industry, country, and economy in which the organisation operates. This category would include risks arising due to adverse changes in the economic, political, social, or competitive environment in which the organisation operates as well as its ability to influence the market structure.

Financial risks

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

Capital structure

Capital signifies the monetary resources an organisation requires to sustain its operations, and fuel its future expansion. This category covers risks that may impact the organisation's ability to acquire an appropriate and cost-effective mix of such resources, in line with its requirements.

Liquidity and credit

Availability of funds for day-to-day operations is a key requirement for the smooth functioning of an organisation. This category would cover risks that may arise due to insufficient realisations and/or improper management of funds to further current and future business objectives.

Market

Markets represent a buyer/seller network for the exchange of capital, credit, and resources. This category would include risks emanating from adverse commodity price changes, exchange rate movements, and interest rate change.

Taxation

Tax, cess, or duty, is a compulsory charge levied on the income, sales, property, etc. of an organisation. This category covers risks emanating from an inefficient structuring of business transactions (within the constraints of the applicable rules and regulations) from a taxation perspective (both direct and indirect), which may result in excessive financial outgoes or benefits not being availed of.

Fraud and error

A fraud involves the use of unjust or illegal means to gain financial advantage by intentional misstatements in, or omissions of amounts or disclosures from, an entity's accounting records or financial statements. It also includes actions, whether or not accompanied by misstatements of accounting records or financial statements, committed for personal gains. On the other hand, an error is an unintentional misrepresentation of facts. This category would cover risks that an organisation may face in the event of a fraud or error, with or without collusion with external parties.

Exchange rate fluctuations

The Company's business activities, inter alia, include import of materials, such as coal and pet coke, and capital equipment, such as machineries for mining, cement manufacturing, power generation plants, etc. which are linked to international prices and major international currencies. As a result, we are exposed to exchange rate fluctuations on imports and exports. The impact of these fluctuations on the Company's profitability and finances is considered material.

Operational risks

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

Assets

The assets of the organisation are the physical and intellectual resources available to it, which facilitate its business processes in the achievement of its objectives. This category includes risks that have an impact on the availability and value of the organisation's assets, including plant, property, equipment, IT systems, and intellectual property.

Crisis

Crisis emanating from natural calamities or manmade disasters is inherent in the business. Crisis risks cover risks that arise due to earthquake, floods, drought, terrorism, hostile community action, and similar events as well as factors such as sabotage by employees, hostile government action and their implications resulting in business discontinuity, disruption of operations, loss of valuable customers, etc.

Process

An organisation undertakes business processes to create products and services, and deliver them to customers. This category includes those risks that arise due to inefficiencies in, or interruptions to, these processes.

Information and knowledge

While running its business operations, an organisation captures information and creates knowledge. Knowledge and informational risks are those that arise due to inefficient capturing, utilisation, and protection of knowledge.

Human resources

Employees and managers help manage the organisation, leverage its assets, and operate its business processes. This category includes risks related to the inappropriateness of the organisational structure, inadequacies in training and development of employees, attrition, inadequate succession planning, and lack of requisite knowledge, skills, and attitude in the employees, which may impact the successful execution of the organisation's business model, and achievement of critical business objectives.

Legal and compliance risks

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

Legal

Legal risks arise when an organisation does not comply with its enforceable commitments to counterparties, or is unable to enforce its rights against counterparties. These risks would include exposure of the organisation to litigation or its inability to protect its rights through litigation. It will also include exposure on account of inadequate representations and warranties from third parties for fulfilling obligations, arising out of the legal agreements entered with them.

Regulatory

Regulatory risks are those that arise on account of regulations imposed by the government, which may affect the organisation's competitive position or its capacity to efficiently conduct business. This category also includes the risks of penalties and prosecution, which may arise on regulatory non-compliance.

ESG vision 2030

What it means

The people amidst us

To treat every human with respect and dignity, and nurture relationships with all stakeholders, including employees, communities, partners, and others, through active engagements.

The environment around us

To conserve and preserve the natural environment across the length of the business value chain.

The conduct among us

To continuously raise the bar in corporate governance and corporate behaviour and strive to be a model corporate citizen in every sense of the word.

Our approach

Sustainability first

Our stakeholders scrutinise all our operations through the sustainability lens. Our development of our strategic vision justifies our commitment towards resource optimisation, focus on emission mitigation and nurturing abilities of our human capital.

A step-by-step approach is taken to increase our green energy usage, minimise water consumption, strengthen safety and compliance along with helping communities to thrive. The ESG roadmap aligns us on a set path with quantifiable targets. It also allows us to measure our progress against each of the focus areas. Based on the materiality assessment that is conducted every two years, a specific set of topics are derived that are crucial for the company to create value for its stakeholders. In continuation with that process, we, at Sagar Cements, have identified 13 core areas from our existing material issues where we aim to put a strong focus. We believe working towards these aspects would help enable realise our sustainability vision.

ESG execution model

We have developed a 4 pillared framework to execute tasks aligned with each target. This model provides us with a direction and realign our processes as an when required.

Leadership

- The Board undertakes the responsibility and accountability for our ESG performance. It establishes management structure to implement and oversee the progress across every aspect of the plan
- Provide a dedicated budget for ESG, digitalisation, innovation and R&D programmes
- Linking performance, appraisal and renumeration against ESG performance
- Conducting impact measurement studies and embedding climate goals into the Company culture

Engaging the partners

- Educate and advise clients about climate change mitigation
- To understand that collective efforts are imperative while engaging with suppliers, customers, transporters, and local communities on a regular basis

Review and course correction

- Periodic review to be conducted and actual performance vs target is logged
- Maintaining transparent communication among all stakeholder groups and maximising engagement across levels
- Keep best industry practices as a point of reference to implement measures across the Company

Team and action plan

- Aligning ESG teams and leaders in all aspects of the action plan and empowering them with necessary skillset
- Develop climate goals, climate budget and climate solutions using the cement sectoral pathway
- Conduct regular third-party audit to meet compliance requirements
- Continuously relook at the initiatives in line with current developments in climate science

Limiting impact to conserve resources

Sagar Cements has pledged to become Net Zero by the year 2050. Efforts are in full swing to achieve this milestone by minimising carbon footprint and maximising resource efficiency. Multiple initiatives are underway, while several more are planned to accomplish this goal. It includes using industrial waste as an alternate fuel, zero liquid discharge, waste heat recovery system, switching to renewable power etc. Biodiversity management has also been given priority status as our operations impact the local flora and fauna at site locations. A risk management framework associated with climate and allied risks works as a firewall to safeguard the interests of the company and the operating environment.

SDGs impacted

Gudipadu, A.P. Plant

Energy

Cement manufacturing has always been very energy intensive business. As a part of our net zero pledge, we have been increasing our usage of non-fossil fuel sources to meet our energy needs. Digitisation and innovative process interventions are being done to achieve better efficiency towards energy savings.

Current status on energy transition

Solar plants	Mattampally site	1.35 MW
	Bayyavaram site	0.13 MW
Waste heat recovery system	Mattampally site	8.8 MW
	Jeerabad site	5.3 MW
Solar roof panel	Corporate office	80 KW
Hydro GBC		4.3 MW
LIS		4.0 MW
Total		**23.96 MW**

Our targets

	2030	2050	Current status
Transport by Green Vehicles in %	30	100	Ordered
Share of renewables in operations in %	50	100	27
Specific electric consumption per ton of cement in kwh	70	65	78
Specific thermal consumption per ton of clinker in Kcal	700	685	726
Thermal Substitution ratio in %	25	50	3

Plan to action

- Reduce energy intensity by use of energy efficient processes and upgradation of equipment
- Minimise energy losses and maximise waste energy recovery
- Systems for monitoring energy generation and usage
- Migrating to zero emission transport and enhancing thermal efficiency

Highlights

3,68,242 MwH
Total Energy consumption

5,25,116 MT
Total Fuel Consumption
(Including Alternate Fuel 35,999 MT)

77.79 KwH/MT
Energy Intensity

3,01,006 MwH
Non-Renewable Energy Consumption

67,236 MwH
Green Energy Consumption

59,518 MwH
Waste Heat Recovered

23.96 MW
Clean energy capacity

700.28 Kg CO_2/tonne
Group carbon footprint

1.56 MW
Solar power portfolio

27%
Energy from Green sources
(including 32,248 MwH Hydro Power exported)

Emissions

Reducing our carbon footprint has been the primary agenda on our path to net zero. By transitioning to less energy-intensive processes and satisfying our energy needs to non-fossil fuel sources, we believe we will be able to deliver on our climate commitments. This undertaking involves huge capital investment to adapt the latest technology-based approaches and a change of mindset within our ecosystem.

Highlights

700.28 kg CO2/t cementitious
GHG Intensity

500 MT
SOx emission

3356 MT
NOx emission

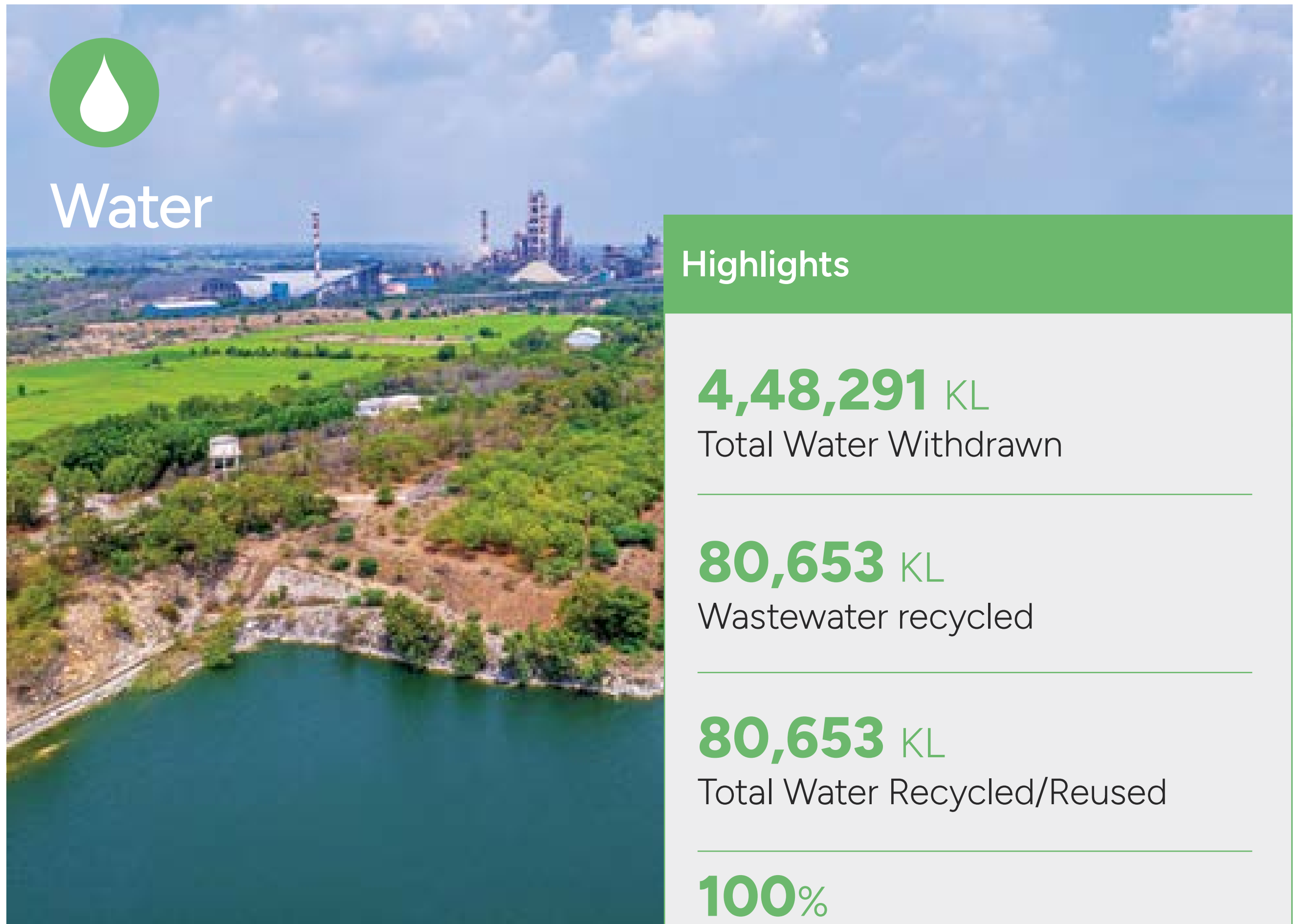
Our targets

	2030	2050	Current status
1. Substitution of RM with de-carbonated material in %	2	5	0.0
2. Specific Electric consumption in kwh	70	65	78
3. Thermal Substitution ratio in %	25	50	3
4. Clinker Factor in %	64	50	76
5. Specific Heat Consumption in KCal	700	685	726
6. Green Electricity Ratio in %	50	100	27
7. Transport by Green Vehicles in %	30	100	Ordered
Scope 1 reduction	495 Kg Net CO2/MT		655
Scope 2 reduction	8 Kg Net CO2/MT		25
Scope 3 reduction	15.5 Kg Net CO2/MT		20
Aligned with SBTi 1.5 C scenario by 2030			
Initiate CCU/CCS to achieve net zero by 2050			

We have been capturing our GHG inventory since 2015. A large part of our emissions arise from limestone-based cement manufacturing process. Intensive efforts of operational efficiency are taken to reduce these numbers. We are also inventorying Scope 1, 2, 3 emissions in line with the SBTi guidelines and GHG protocol. Scope 1 and 2 inventory is done covering all aspects of business while Scope 3 is limited to emissions from transportation and logistics. We are also partnering with academic institutions and research centres to excel in carbon capture and storage.

Plan to action

A comprehensive environmental policy is in place to guide our teams to bring emissions down. Digitalisation and tech adoption across the value chain are important factors in achieving it. We also plan to reduce energy intensity while continuously increasing the ratio of green energy and alternate raw materials and fuels. Our performance objectives are mapped across the functional units and periodical reporting is done to all stakeholders.



Water

Highlights

4,48,291 KL
Total Water Withdrawn

80,653 KL
Wastewater recycled

80,653 KL
Total Water Recycled/Reused

100%
Industrial water requirement through rainwater harvesting

112 L/tonne
of cementitious Water Intensity

71
Rainwater harvesting structures created

We make a conscious effort to reduce our water usage. All manufacturing processes use harvested or recycled water, and fresh water is used only for human consumption. Our aim is to be water positive by upgrading water filtration plants, rainwater harvesting and zero liquid discharge. We are moving from water to air cooling systems to reduce and conserve water.

Our targets

- To be 10x water positive by 2030
- 20% reduction in freshwater withdrawal to be achieved by 2030

Water consumption pattern at SGC

	Quantity consumed in (KL)		
Source of water	FY2023	FY2022	FY2021
Surface	2,03,850	1,73,781	1,34,218
Ground	2,44,441	1,61,441	1,77,246
Total Water Consumed	4,48,291	3,35,221	3,11,464

Plan to action

- Introducing the water reporting system, including specific water consumption
- Measurement and monitoring of water sourcing and consumption
- Recycling/treatment of rejected water for reuse in process, plantation
- Promoting awareness about conservation among users

Waste management

A robust waste management policy is in place to facilitate our agenda of reducing, reusing and recycling resources. At SGC, hazardous and non-hazardous waste is segregated by our teams and is disposed off by following all necessary protocols. We also use the waste from other industries by appropriately treating and using it as an input to our operations. It reduces hazardous waste ending up in landfills and degrading the environment.

Waste disposal

Total hazardous waste disposed

Type of waste (MT)	FY2023	FY2022	FY2021
Hazardous Waste Generated	23.80	48.10	5.28
Non-Hazardous Waste Generated	58,806	63,077	34,894
Plastic Waste Generated	21	28	0
E-Waste Generated	0.08	3.48	0.27
Bio-waste generated	0.03	0.11	0.02
Total Waste Generated	**58,851**	**63,156**	**34,900**

Waste generated and consumed within the company

Type of waste	Unit	FY2023	FY2022	FY2021
CPP fly ash and coarse ash (consumption)	Tons	52,365	42,141	32,105
CPP bed ash	Tons	5,155	2,014	2,769
Waste Oils and Lubricants	Tons	20	44	5
Oils and Oil soaked Cotton Waste	Kgs	1,372	1,207	0
Total - Waste Generated and Consumed	Tons	57,542	**44,201**	**34,879**

Waste generated and disposed to third party

Type of waste	Unit	FY2023	FY2022	FY2021
Steel scrap	Tons	1,966	1,141	334
Belt Scrap	Tons	13	10	0
Batteries (Each weighted 10kg)	Number	235	280	20
E-Waste	Kgs	82.64	3,484	268.76
Pharma & Hospital Waste	Kgs	30.06	109.29	18.06
Others	Kgs	25,331	28,724	1.22
Old & Damaged tyres (Each weighted 5 kgs)	No's	140	33	0
HDPE Scrap	Kgs	20,920	27,520	0
Total - Waste Generated & disposed to third-party	Tons	1,309	**18,955**	**20**

AFR consumed

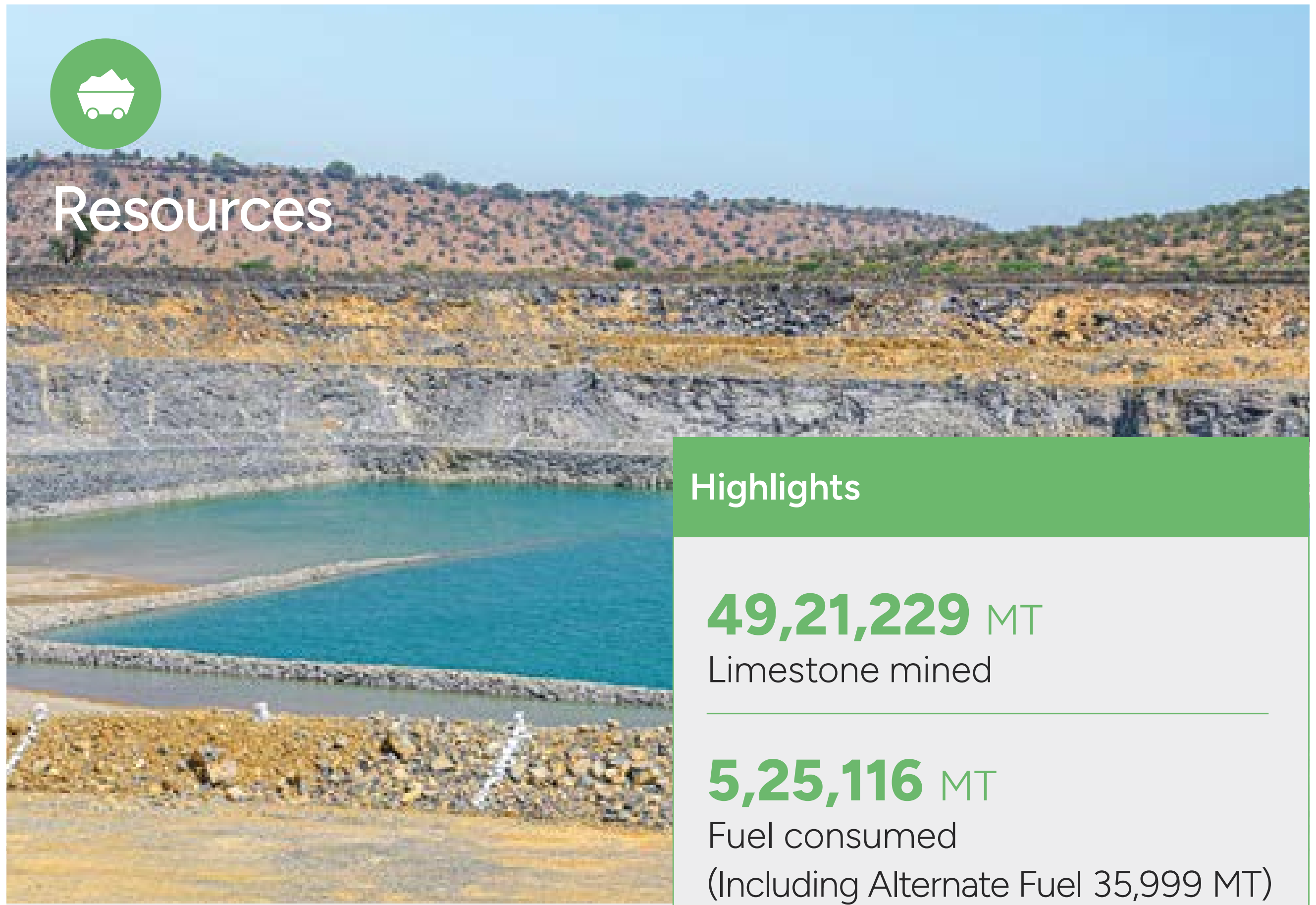
Type of waste (Tonnes)	FY2023	FY2022	FY2021
Chemical Gypsum	1,72,347	79,287	58,793
Fly ash	4,63,877	2,73,570	2,45,642
Slag	3,34,492	2,77,367	49,871
Spent Carbon	4,509	7,943	6,921
Carbon Black	75	156	835
Iron Sludge	1,557	2,868	2,441
Shredded Plastic	557	320	0
Residue Derived Fuels	1	96	882
Organic Residue	7,948	2,830	0
Organic Liquid Solvents	15,988	11,718	0
Rice Husk	5,006	4,628	0
Organic Waste	462	516	0
Chrome Sludge	16,236	0	0
Wooden Chips	188	0	0
Dolachar	1,265	1,013	0
Total - AFR	10,24,507	**6,62,313**	**3,65,385**

Plan of action

- Minimising waste generation by adopting a hierarchal approach to reduce, reuse, recycle and recover by making use of viable technologies
- Ensuring all waste collected, stored, transported, and disposed in an environmentally acceptable manner
- Promoting the use of blended cements, thereby utilising the waste/by-products of other industries
- Implement best practices to source and consume Refuse Derived Fuel (RDF) in the kiln process with the larger objective of reducing environmental impact
- Framework development for using construction waste in production processes

Our targets

- Reduce clinker factor and use cementitious waste materials
- Installation of waste heat recovery system



Resources

Highlights

49,21,229 MT
Limestone mined

5,25,116 MT
Fuel consumed
(Including Alternate Fuel 35,999 MT)

1,46,164 MT
Gypsum consumed

38,354 MT
Iron ore consumed

1,557 MT
Iron Sludge consumed

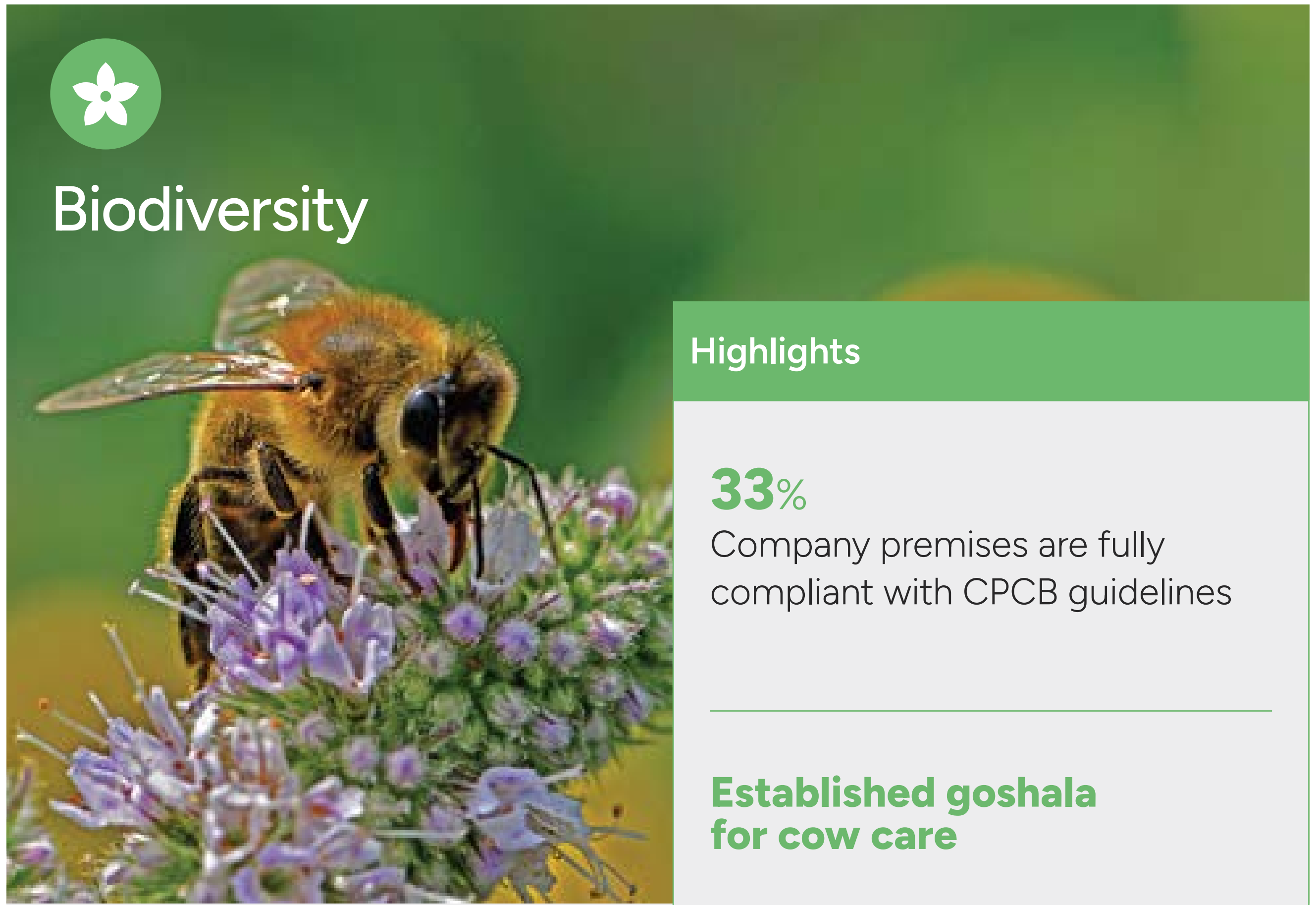
The use of natural resources such as limestone, silica and iron ore are core to the smooth functioning of our business. Considering the restrictiveness of these resources we have adopted a circular economy business model where we are constantly developing ways to replace these raw materials with their recycled substitutes. Special efforts are made to source products locally thereby facilitating minimal environmental impact.

Our targets

	2030	2050	Current status
1. Reduction in clinker factor	64%	50%	75%
2. Increased use of carbonated raw materials	2%	5%	0.00

Plan to action

- By giving preference to materials, products and services with lower environmental impact than the equivalent market alternative.
- Integrating the concept of reduce, reuse and recycle in the sourcing model.
- Encouraging suppliers and partners to adopt best-in-class practices.
- Creating awareness through trainings and development.



Biodiversity

Highlights

33%
Company premises are fully compliant with CPCB guidelines

Established goshala for cow care

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

We are aware of the impact caused by cement manufacturing on flora and fauna specific to our site locations. Our teams undertake all relevant mitigation measures to make sure the surrounding living world can co-exist. We work towards restoring natural ecosystems after mine closure by planting native plant species, using controlled blasting to reduce dust and noise emissions.

Large scale plantations are undertaken for green belt development along with the use of organic fertilisers and vermi composting. We have invested in employee training for biodiversity management, training our employees to become biodiversity lead auditors and having them assigned the responsibility of managing the biodiversity in and around the plants. Implement biodiversity management plans across all our plant locations in line with our biodiversity policy.

Our targets

Creating a polyculture plantation across 5 hectares of land each year with about 1,000 saplings.

Plan of action

- Carrying out impact assessment studies and implementing mitigation measures
- Preserving endemic, threatened or endangered species and protecting the natural habitat around the plant premises
- Promoting biodiversity awareness among all employees through training
- Biodiversity conservation in partnership with relevant stakeholders, including local governments, farmers, local communities, self-help groups, and non-governmental organisations
- Increase carbon sequestration by restoration of degraded village commons, riverbanks and tanks, foreshore plantations, and development of community-managed forests.

Nurturing people power

Having trusted relationships with each stakeholder group is essential for us to grow as a brand. Everyone including our employees, customers, partners and community members expect to have a rewarding association with us and that increases our responsibility to enhance value generated for them. Our work in the areas of health and well-being, skill development, and education would help bring us one step closer in realising these trusted bonds with our people.

Treating everyone with respect and dignity is an indispensable part of our culture. We provide with a safe and equitable work that promotes healthy competition. By having a people-centric approach, the Company also benefits by attracting and retaining top talent. All our policies are designed to ensure fundamental human rights are followed and any kind of discrimination is discouraged.

SDGs impacted

3 Good health and well-being | 5 Gender equality | 8 Decent work and economic growth | 10 Reduced inequalities | 17 Partnerships for the goals

Employee well-being

Highlights

174
New employees hired

83.47%
Retention rate

0.67 ton/manhour
Employee productivity (FTE)

52,390
Total training hours

4,198
Employees skill development training hours

16.53%
Employee Turnover rate

Employees being key stakeholders for Sagar Cement's growth, we drive a people-centric environment that is fair, open and nurtures the abilities of our workforce. Employees feel a sense of belonging to associate themselves with a brand like us. This goes a long way in proving that we promote a safe, healthy workplace and treat employee satisfaction with utmost importance.

In an attempt to improve the quality of life and maintain work-life balance, we provide our employees with a well-established township with all necessary amenities along with trainings on professional and personal development. We conduct employee satisfaction surveys on which Employer Net Promoter Scores (eNPS) is measured. These surveys give us an insight into the changing expectations of our employees. Accordingly, measures including capacity building are planned and implemented. We intend to bring in measurement tools such as Pulse, Great Place to Work certification and Randstad awards to enhance our efforts towards people management further.

Cement manufacturing has been largely a male-dominated industry. Improving the strength of women employees has been an important focus area in building a gender-inclusive culture. We are an equal opportunity employer and do not discriminate on the basis of religion, race and sexual orientation. The economic security of employees is maintained by adhering to timely and fair payment practices.

Our employees enjoy several benefits such as health insurance and maternity leave. They are also covered under retirals that include provident fund, gratuity and employee state insurance.

Health and safety

Highlights

Zero
Fatalities

248
Near Misses

66,94,508
Safe man hours

Health and safety measures are implemented across all processes through an occupational health and safety management system. Hazard Identification and Risk Assessment (HIRA) keep the frequency and severity of accidents in check across all high-consequence routine and non-routine jobs. Apart from undertaking safety training for our employees, it is mandatory for employees to wear protective equipment, and medical staff is available to attend to any emergencies on the floor.

Employees

For Current Year	Age Group			
Permanent Employees	Below 30	30-50 years	Over 50 years	Total
Male	102	691	237	1,030
Female	1	8	1	10
Total	**103**	**699**	**238**	**1,040**

Employees

For Current Year	Age Group			
Temporary Workers (Contractual)	Below 30	30-50 years	Over 50 years	Total
Male	635	1,026	113	1,774
Female	7	78	8	93
Total	**642**	**1,104**	**121**	**1,867**

Suppliers and partners

Highlights

74 Numbers
Warehouses

2,675 Numbers
Channel partners

650 Numbers
New dealers onboarded

5,591 Numbers
New retailers onboarded

Our brand identity connects with quality and trust and it helps to build a strong connection with our value chain partners. These bonds have been developed over decades through open, fair and transparent relationships. We have been highly rated across the engagement surveys with our partners. This year too, we have onboarded several new supply chain partners as our business expands.

Vendor engagement	FY2023	FY2022
Vendors onboarded	1,321	944
New distributors	650	634
Average lead distance	288 km	294 km
Road accidents	0	0

Supplier engagement	FY2023	FY2022
Suppliers	10,860	8,616
Average supplier availability	96%	95%
Supplier defect rate	2%	2%

We have established a grievance redressal mechanism to attend to all complaints. We believe any problem can be resolved by mutual understanding and disapproval of abusive behaviours or inappropriate demands. Emphasis is given to engaging with partners who are environmentally responsible and undertake measures to minimise their carbon footprint. Regular assessment sessions are organised with our partners and are scored basis their performance on green supply chain initiatives.

MSME/Small Suppliers	FY2023	FY2022
Percentage of Materials Sourced	17	8
Percentage of the procurement budget used	7	8
Within the district and neighbouring districts and area		
Percentage of Materials Sourced	30	25
Percentage of the procurement budget used	40	47
Indigenous/Vulnerable/ Marginalised Community		
Percentage of Materials Sourced	92	97
Percentage of the procurement budget used	92	95

Communities

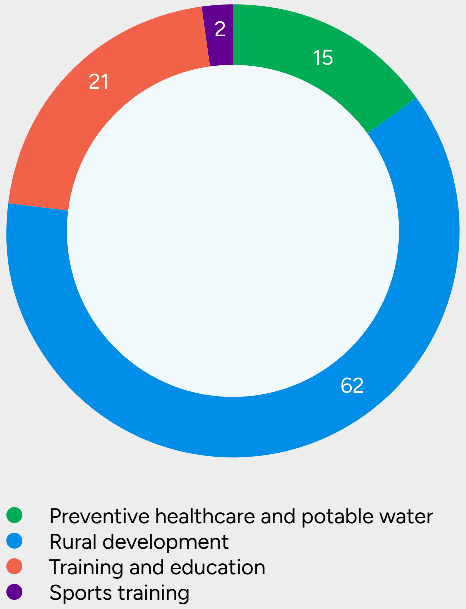
Health, education, livelihood generation and rural development are key areas where most of our investment is made by undertaking social projects with our NGO partners. We drive these initiatives through continuous engagement with the local communities. It provides us an insight into their needs and expectations from us. We have also set KPIs and targets to monitor these projects from time to time. Employees who actively participate in CSR projects are given due credit and recognised for their efforts.

Highlights

69,629
Lives Impacted

₹ 306 Lakhs
Amount spent

CSR spend in FY2023 (%)



Our targets

- Strengthening the community centre by 2025
- Skill development centre by 2030
- Vocational training for the underprivileged by 2027

Poverty, hunger and malnutrition are common problems within marginalised communities. Our interventions are aimed at eradicating hunger, promoting preventive healthcare and providing safe drinking water thereby uplifting their quality of life. Imbibing skills through vocational training would help improve their chances of finding employment, thereby giving them a sense of pride and elevating them from poverty.

Some of our initiatives

- Empowerment to women self-help groups
- Offering scholarships for higher studies
- Installation of RO plants in schools
- Building water check dams and helping in irrigation by providing adequate water supply
- Construction of community toilets

Promising responsible conduct

Fairness, transparency, and equity are the pillars of corporate governance at Sagar Cements. These values are imbibed in our day-to-day functioning and allow us to create long-term value for all our stakeholders. We are committed to conducting our business following highest standards of ethics and compliance to local laws. Our diverse Board gives strategic direction to our functioning and upholds our competitive advantage through extensive skillset and perspectives.

We are actively embedding ESG in every aspect of our business and is developing specific ESG related KRA's and incentives for the Board and the management which will link their compensation to achieving the ESG targets. Our Board periodically reviews the committees, governance policies, and the succession planning while the Code of Conduct covers all the aspects that govern a responsible business. Sagar Cements is also compliant to General Data Protection (GDP), ensuring the data and information systems of the Company are safe and secure.

Focus areas

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

3
Women members on Board

33%
of Independent Directors on Board

Corporate governance practices

We strive for optimal levels of governance practices and have formalised several policies and standards to protect human rights along promoting an ethical behaviour. Trust and reputation of our brand for our stakeholders is non-negotiable and we aim to always provide transparency and accountability through our actions. Sagar Cements has come up with a set of policies and charters that are reviewed by our Board from time to time.

Governance policies

- Whistle-blower policy
- Business responsibility policy
- Code of Conduct
- Anti-corruption policy
- Anti-corruption risk assessment policy
- Fair competition policy
- Human rights policy
- Public policy and political statement
- Stakeholder engagement policy
- Innovation policy

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

5
Committees headed by Independent Directors:
Audit, CSR, Investment, Remuneration and Securities Allotment Committee

Transparency and stakeholder engagement

Regularly engaging with our stakeholders for fruitful discussions on understanding their expectations is something that we have always been following at Sagar Cements. We have designed appropriate engagement methods and plans that meet international standards and tailored to the stakeholders' needs with well-defined objectives and outcomes. These engagements are performed in an interactive manner where stakeholders can openly provide their feedback. A team then works on resolving their concern areas in a timely manner.

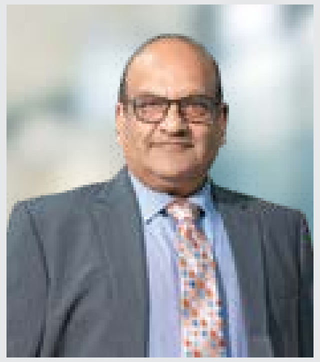
Ethics and compliances

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

Board of Directors

Powered with vision and values

Ethics and integrity rule the corporate governance at Sagar Cements. Our able Board continuously strives to preserve interests of our stakeholders by ensuring our business is conducted in a transparent and accountable manner. A multi-disciplinary board ensures diverse perspectives ensuring effective decision-making and an all-encompassing approach towards risk management.

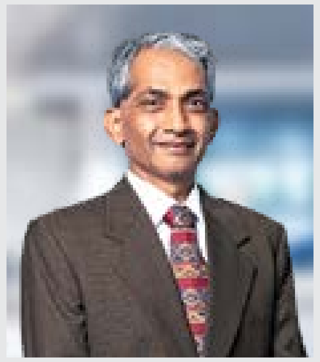


Shri. K. V. Vishnu Raju
Chairman and Independent Director

Shri. Ravichandran Rajagopal
Independent Director

Smt. O. Rekha
Independent Director

Smt. N. Sudha Rani
Nominee Director



Shri. Madhavan Ganesan
Nominee Director

Dr. S. Anand Reddy
Managing Director

Shri. S. Sreekanth Reddy
Joint Managing Director

Shri. John-Eric Bertrand
Non-executive Director

Shri. Jens Van Nieuwenborgh
Alternate Director

Smt. S. Rachana
Non-executive Director

Shri. K. V. Vishnu Raju
Chairman and Independent Director

Shri. K V Vishnu Raju holds a Graduate Degree in Chemical Engineering from National Institute of Technology, Tiruchirappalli and a Master Degree in Chemical Engineering from Michigan Technological University, Houghton, MI, USA. He had been associated with Raasi Cements Limited as Executive Director from 1992 to 1995 and as Managing Director from 1995 to 1998. He was on the Board of Anjani Portland Cement Limited as its Chairman and Managing Director from 1999 to 2014.

Shri. Ravichandran Rajagopal
Independent Director

Shri. Ravichandran Rajagopal holds a Graduate Degree in Mechanical Engineering from Regional Engineering College, Tiruchirappalli and a Masters Degree in Management from Indian Institute of Management, Calcutta. He had been associated with Vijay Cements as Director from 1992 to 1997 and with Elico Healthcare Limited from 1997 to 2009.

Smt. O. Rekha
Independent Director

Smt. O. Rekha holds a B.Com degree from Osmania University and an MBA from Samford University, USA, and is an Associate Member of the Institute of Chartered Accountants of India. She has worked in a Directorial capacity in Fur Fur Chemical Private Limited and Swan Vacuum Systems Private Limited and serves as a director on the Board of VA Champ Industries Private Limited and Sagar Cements (M) Private Limited.

Smt. N. Sudha Rani
Nominee Director

Smt. Naga Sudha Rani, Nominee Director from APIDC, who is currently positioned as Manager (EPM & Accounts) in TSIDC, a demerged company of APIDC.

Shri. Madhavan Ganesan
Nominee Director

Shri. Madhavan Ganesan holds a B.E. (Hons) Degree from BITS Pilani and MBA from IIM Calcutta. He is having 35+ years of experience in different fields as Business Leader and Strategy Consultant in establishing and incubating new ventures; driving strategic growth and profitability of large business units; group strategic growth planning; managing international partner relationships and financing of ventures.

Dr. S. Anand Reddy
Managing Director

As part of the promoter group, Dr. S. Anand Reddy joined SGC as our Director (Marketing and Projects) in 1992. At present, he is the Managing Director of the Company. Under his guidance, SGC has emerged as one of the most economical cement plants in Telangana. In 2008, he was appointed as the Joint Managing Director and later as Managing Director in 2018.

Shri. S. Sreekanth Reddy
Joint Managing Director

As part of the promoter group, Shri. S. Sreekanth Reddy joined SGC in 2002 as a Technical Consultant and was later appointed as a Director. In 2008, he was appointed as an Executive Director and in 2018, as Joint Managing Director. During his tenure, SGC grew its capacity from 1.32 Lakhs TPA to 108.50 Lakhs TPA and witnesses the adoption of modern technology in all areas of its operations.

Shri. John-Eric Bertrand
Non-executive Director

Shri. John-Eric Bertrand is co-CEO of Ackermans & Van Haaren. AvH is a diversified listed group focused on a limited number of strategic participations. John-Eric is active at AvH since 2008 and acts as Chairman or board member of several companies including CFE, DEME, Agidens, Manuchar, Extensa Group and Telemond. Before joining AvH, John-Eric worked as a Senior Consultant at Roland Berger Strategy Consultants (2006-2008) and as Senior Auditor at Deloitte (2001-2004). John-Eric graduated magna cum laude as a Commercial Engineer from University of Louvain (UCL) and obtained a Master's degree in International Management from the Community of European Management Schools (CEMS). He also holds an MBA from INSEAD.

Shri. Jens Van Nieuwenborgh
Alternate Director

Shri. Jens Van Nieuwenborgh holds a Master's degree in Civil Engineering from the University of Ghent and an MBA from Harvard Business School. He is an investment Director at Ackermans & Van Haaren since September 2014. He previously worked at McKinsey & Company as Associate Partner. He serves as a Director with AVH Resources India Pvt. Ltd. and Boston Ivy Healthcare Solutions Pvt. Ltd.

Smt. S. Rachana
Non-executive Director

Smt. S. Rachana is a Promoter Director of RV Consulting Services Pvt. Ltd.

Leading with experience

Our experienced professionals are collectively responsible for the strides we achieve in operational and delivery excellence. We are immensely indebted by their contribution and have a great respect for their visionary insights.

Dr. S Anand Reddy

Managing Director

Dr. S. Anand Reddy brings with him a vast experience of more than 30 years. He has an MBBS degree from Nagarjuna University. He joined SGC as Director (Marketing and Projects) in 1992 and has risen to the current position of Managing Director.

Shri. S. Sreekanth Reddy

Joint Managing Director

Shri. S. Sreekanth Reddy brings with him more than 27 years of industry experience. He has a Bachelor's degree in Industrial and Production Engineering and a diploma in cement technology. He joined SGC in 2002 as a Technical Consultant and was later appointed as its Director. Under his guidance, SGC has emerged as one of the most sustainable cement plants in Telangana.

Shri. K. Ganesh

Group President

Shri. K. Ganesh comes with a rich experience of more than 37 years in project execution and operations of cement plants. He holds a Diploma in Mechanical Engineering. He has served as a Senior Engineer in Bhagawati Priya Consulting Engineers Limited, Mumbai. He has been associated with SGC since 1992 and has been a crucial part of the Company's growth story.

Shri. K. Prasad

Chief Financial Officer

Shri. K. Prasad heads the Finance and Accounts function of the Group. Has more than 27 years of experience. He is a qualified Chartered Accountant and also holds an M.Com degree. He is associated with us since 2003. Before joining us, he served as the Senior Manager in Sagarsoft (India) Limited.

Shri. Rajesh Singh

Chief Marketing Officer

Shri. Rajesh Singh has 30 years of experience in Marketing. He holds a PG Diploma in Business Management from Osmania University. He is associated with us since 2008. He has worked with Suzlon Energy and Orient Cements Limited before joining SGC.

His 33 years of professional journey is as follows: Chambal Fertilisers & Chemicals Ltd, Orient Cement, Suzlon Energy, and SGC since 2008 onwards.

Shri. O. Anji Reddy

Chief Sustainability Officer

Shri. O. Anji Reddy has a postgraduate degree in Engineering from the Andhra University and has been working for the cement industry since 1985. During the course of his 38 years of service, he has worked in a wide range of functions for the cement and power sectors. He is also a certified expert in climate change and environment sustainability by the Confederation of the Indian Industry (CII).

Shri. R. Soundararajan

Company Secretary and Chief Compliance Officer

Shri. R. Soundararajan has more than 42 years of rich experience. He holds a Post Graduate Degree in Commerce and a Law Degree. He is also a fellow Member of the Institute of Company Secretaries of India and an associate Member of the Institute of Cost Accountants of India. He heads the secretarial and compliance functions of the Group. He is associated with the Company since 1996.

Awards and Recognitions

Our Mattampally Limestone Mine - 1 received a 5 Star Rating for FY2022 on 1st March 2023

Received Mines Environment & Mineral Conservation Week Award for Mattampally during FY2023

Received the GreenCo "Star Performer" by Confederation of Indian Industry (CII) GBC-2022

Received the National award for excellence in energy management 2022 for 'National Excellent Energy Efficient Unit-2022'

Recognised as a "National Energy Leader" by CII

Abbreviations

Abbreviations	Full forms
(E)	Estimated figure
<IR>	Integrated Reporting
AFR	Alternative Fuels and Raw Material
AI	Artificial intelligence
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
AP&T	Andhra Pradesh and Telangana
APIDC	Andhra Pradesh Industrial Development Corporation
ASCO	Assurances Continentales
BDM	Bracht Deckers & Mackelbert
BOI	Bank of India
C&F	Clearing and Forwarding
CAGR	Compound Annual Growth Rate
CC	Concrete canvas
CCS	Carbon capture and storage
CCU	Carbon capture and utilization
CEMS	Community of European Management Schools
CEO	Chief Executive Officer
CFD	Computational Fluid Dynamics
CFO	Chief Financial Officer
CII	Confederation of Indian Industries
CMA	Cement Manufacturers Association
CO2/Tonne	Carbon dioxide Per Tonne
CPCB	Central Pollution Control Board
CPP	Captive Power Plant
CSR	Corporate Social Responsibility
EBITDA	Earnings Before interest, Taxes, Depreciation and Amortisation
ECLGS	Emergency Credit Linked Guarantee Scheme
ECLGS	Emergency Credit Linked Guarantee Scheme
EHS	Environment Health and Safety
eNPS	Employer Net Promoter Scores
EPS	Earnings per share
eq	Equivalent
ERP	Enterprise Resource Planning
ESG	Environmental Social and Governance
ESP	Electrostatic Precipitator
E-waste	Electronic Waste
FCS	Fellow Company Secretary
FTE	Full-Time Equivalent
FY	Financial Year
GBC	Guntur Branch Canal
GGBS	Ground Granulated Blast Furnace Slag
GHG	Greenhouse Gas
GPAP	Group Personal Accident Policy
GRI	Global Reporting Initiative
GST	Goods and Services Tax
GTLI	Group Term Life Insurance
HDP	High Density Polyethylene
HIRA	Hazard Identification and Risk Assessment
ICC	Internal Complaints Committee
ICSI	Institute of Company Secretaries of India
IESBA	International Ethics Standards Board for Accountants
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IND AS	Indian Accounting Standard
ISO	International Organization for Standardization
IUCN	International Union for Conservation of Nature
JCPL	Jajpur Cements Private Limited
JV	Joint Venture
K Cal	Kilocalorie
kL	Kilo litre
Km	Kilometer
kWh/t	Kilowatt Hour Per Tonne limited
LIS	Lock-in-sula
LTI	Lost Time Injuries
LTIFR	Lost Time Injury Frequency Rate
Ltr/Ton	Litre Per Tonne
M.B.B.S	Bachelor of Medicine and Bachelor of Surgery
mg/nm3	Miligrams Per Cubic Metre
ML	Machine Learning
MnT	Million Tonnes
MoEFOO	Ministry of Environment Forest and Climate Change
MT	Metric Tonnes
MTPA	Million Tonnes Per Annum
MW	Megawatts
MWh	Megawatt Hour
NBM	National institute of Bank Management
NCLT	National Company Law Tribunal
NOx	Nitrogen Oxides
OPC	Ordinary Portland Cement
PAT	Profit after tax
PGNAA	Prompt Gamma Neutron Activation Analysis Analyzer
PMAY	Pradhan Mantri Awas Yojana
PPC	Portland Pozzolana Cement
PSC	Portland Slag Cement
PTFE	Polytetrafluoroethylene
RABH	Reverse Air Bag House
RBI	Reserve Bank of India
RDF	Refuse Derived Fuel
RE	Renewable Energy
RO	Reverse osmosis
RoCE	Return on Capital Employed
RoE	Return on Equity
RTM	Risks that Matter
SASB	Sustainability Accounting Standards Board
SGC	Sagar Cements Limited
SCPL	Satguru Cement Private Limited
SCRL	Sagar Cements (R) Limited
SEBI	Securities and Exchange Board of India
SOx	Sulphur Oxides
SRC	Sulphate Resistant Cement
STP	Sewage Treatment Plant
T	Tonnes
tCO2e	Tonnes of carbon dioxide equivalent per tonne (of cement)
TJ	Terajoule or one trillion (1012) joules
TPA	Tonnes Per Annum
TPD	Tonnes Per Day
TSDC	Telangana State Irrigation Development Corporation Ltd.
TSR	Thermal Substitution Rate
TUVI	Technischer Überwachungsverein India
UCL	University of Louvain
VFDs	Variable Frequency Drives
WHRS	Waste Heat Recovery System
YoY	Year-on-year

Independent Assurance Statement

Introduction and Engagement

Sagar Cements Limited (hereafter 'SGC') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information and key performance indicators (KPI) disclosed in SGC's Integrated Report (hereinafter 'the Report') for the period 1st April 2022 to 31st March 2023. The Report is based on the principles of IIRC Integrated Reporting (<IR>) framework and the Global Reporting Initiative (GRI) Standards. This assurance engagement was conducted in reference to BRSR and ISAE 3000 (Revised) requirement. "Limited Level".

Management's Responsibility

SGC has developed the Report content and is responsible for identification of materiality, corresponding ESG issues, identifying, establishing, reporting performance management, data management, and quality. The management team at SGC is accountable for the accuracy of the information provided in the Report and the process of collecting, analysing, and reporting that information in both web-based and printed Reports. This includes the maintenance and integrity of the Company's website. Furthermore, SGC's management team takes responsibility for the accurate preparation of the Report in accordance with the applied criteria <IR> framework and GRI standards. They ensure that the Report is free of any intended or unintended material misstatements, so stakeholders can trust the information provided. SGC will be responsible for archiving and reproducing the disclosed data to the stakeholders upon request.

Scope and Boundary

The scope of work includes limited assurance of the following non-financial performance/KPI disclosures disclosed in the Report. The assurance engagement encompasses a thorough review of the quality of information, as well as a review of evidence (on a sample basis) for identified non-financial indicators.

Additionally, verification team performed

i. Verification of the application of the Report content, and principles as mentioned in the Global Reporting Initiative (GRI) Standards, the principles of IIRC Integrated Reporting (<IR>), and the quality of information presented in the Report over the reporting period;

ii. Review of the policies, initiatives, practices and performance described in the Report;

iii. Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards;

iv. Verification of the reliability of the GRI Standards disclosure on environmental and social topics;

v. Confirmation of the fulfilment of the GRI Standards;

vi. Specified information was selected based on the materiality determination and needs to be meaningful to the intended users.

TUVI has verified the below KPI's disclosed in the Report

GRI 301: Materials	301-1, 301-2
GRI 302: Energy	302-1, 302-2
GRI 303: Water and Effluents	303-3, 303-4, 303-5
GRI 305: Emissions	305-1, 305-2, 305-3, 305-7
GRI 306: Waste	306-3, 306-4, 306-5, 306-7
GRI 401: Employment	401-1
GRI 402: Labour/Management Relations	402-1
GRI 403: Occupational Health and Safety	403-1, 403-2, 403-5, 403-9
GRI 404: Training and Education	404-1
GRI 413: Local Communities	413-1

The on-site verification was conducted at Gudipadu manufacturing unit (May 2023) along with the remote interviews with SGC corporate team (Hyderabad). The assurance activities were carried out together with a desk review of data of other manufacturing units located at Mattampally, Jeerabad, Jajpur and grinding unit at Bayyavaram as per reporting boundary i.e. SGC India operations as stated above.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a limited level of assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of SGC's strategy, management of ESG-related issues or the sufficiency of the Report against IIRC Integrated Reporting (<IR>), GRI standard, and ISAE 3000, reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes non-financial quantitative and qualitative information (KPIs) disclosed by SGC. Reporting Organisation is responsible for archiving the related data for a reasonable time period. The intended users of this assurance statement are the management of 'SGC'. The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting organisation. TUVI expressly disclaims any liability or co-responsibility 1) for any decision a person or entity would make based on this assurance statement and 2) for any damages in case of erroneous data is reported. This assurance engagement is based on the assumption that the data and information provided to TUVI by TRIL are complete and true.

Verification Methodology

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

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

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

c) TUVI reviewed the level of adherence to principles of "The <IR> Framework" and GRI standards.

The Report was evaluated against the following criteria:

Adherence to the principles of Stakeholder inclusiveness, Materiality, Responsiveness, Completeness, Neutrality, Relevance, Sustainability context, Accuracy, Reliability, Comparability, Clarity and Timeliness; as prescribed in the "The <IR> Framework", GRI Standards and ISAE 3000 (Revised);

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

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

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

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

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

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

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

Opportunities for Improvement

The following are the opportunities for improvement reported to SGC. However, they are generally consistent with SGC management's objectives and programmes.

a) SGC may further increase waste related disclosures by adopting the GRI disclosure requirements following the GRI 306 2020 requirements;

b) Internal carbon pricing can be established and utilised as instrument to appraise the renewable and less GHG intensive projects;

c) SGC may start verifying set environmental and social goal and targets e.g. zero waste to landfill, ESG supply chain audit, EPD/LCA verification etc.;

d) SGC can utilise the best practices/requirements of ISO 20400 to develop its sustainable procurement policy.

Independent Assurance Statement

Our Conclusion

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

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

Universal Standard: SGC followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organisation. General Disclosures were followed when reporting information about an Organisation's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process, and GRI 3: Material Topics 2021: Disclosures and guidance about the organisation's material topics. GRI 3 was selected for the Management's Approach on reporting information about how an organisation manages a material topic.

TUVI is of the opinion that this report has been prepared in reference with the GRI Standards.

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

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

Report complies with the requirements of the "Guiding Principles of the <IR> Framework".

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

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

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

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

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

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

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

TUVI confirms that SGC has transparently reported major material information pertaining to all its six capitals in line with the <IR> framework, as below:

Financial Capital: SGC creates value and drives growth by optimal utilisation of funds raised from various providers of capital.

Manufactured Capital: SGC focuses on operational excellence and continuous improvement and innovation in manufacturing processes through its manufacturing facilities and infrastructure.

Intellectual Capital: SGC invests in Research and Development (R&D), innovation, design and engineering, which form the basis of product development efforts.

Human Capital: SGC focuses on attracting, developing and retaining the best talent by providing training and ensuring over all safety and well-being. It also promotes inclusion and diversity throughout the business.

Social and Relationship Capital: SGC creates value beyond boundaries by cultivating an ethos of 'giving back to the society' through its CSR initiative and building a sustainable, resilient value chain.

Natural Capital: SGC emphasises on operational eco-efficiency, principles of circularity and resource efficiency and product stewardship standards for being environmentally responsible throughout its value chain.

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

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

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

Our Assurance Team and Independence

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

For and on behalf of TUV India Private Limited

Manoj Kumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service
Project Reference No: 8120207839
www.tuv-nord.com/in

Date: 10th May 2023
Place: Mumbai, India

GRI Content Index

GRI standard / Other Source	Disclosure	Location
GRI 2: General Disclosures 2021		
The organization and its reporting practices	2-1 Organizational details	6
	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2
	2-4 Restatements of information	2
	2-5 External assurance	2, 54
Activities and workers	2-6 Activities, value chain and other business relationships	18
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Governance	2-9 Governance structure and composition	46-47
	2-10 Nomination and selection of the highest governance body	87
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	2-15 Conflicts of interest	104
	2-19 Remuneration policies	87
	2-20 Process to determine remuneration	87
Strategy, policies and practices	2-22 Statement on sustainable development strategy	30
	2-23 Policy commitments	47
	2-25 Processes to remediate negative impacts	101, 118
	2-27 Compliance with laws and regulations	104, 115
	2-28 Membership associations	117
Stakeholder engagement	2-29 Approach to stakeholder engagement	20
Topic Standard - Environmental		
GRI 301: Materials 2016	3-3 Management of material topics	38
	301-1 Materials used by weight or volume	38
	301-2 Recycled input materials used	105
	301-3 Reclaimed products and their packaging materials	105
GRI 302: Energy 2016	3-3 Management of material topics	33
	302-1 Energy consumption within the organization	33, 112, 115
	302-2 Energy consumption outside of the organization	33, 112
	302-3 Energy intensity	33, 112
GRI 303: Water and Effluents 2018	3-3 Management of material topics	35
	303-2 Management of water discharge-related impacts	35, 112
	303-3 Water withdrawal	35, 112, 116
	303-4 Water discharge	35, 112, 115
	303-5 Water consumption	35, 112
GRI 305: Emissions 2016	3-3 Management of material topics	34
	305-1 Direct (Scope 1) GHG emissions	34, 113
	305-2 Energy indirect (Scope 2) GHG emissions	34, 113
	305-3 Other indirect (Scope 3) GHG emissions	34, 113, 116
	305-4 GHG emissions intensity	34, 113
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	34, 113

GRI standard / Other Source	Disclosure	Location
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	306-1 Waste generation and significant waste-related impacts	36-37, 114
	306-2 Management of significant waste-related impacts	36-37, 114
	306-3 Waste generated	36-37, 114
	306-4 Waste diverted from disposal	36-37, 114
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Topic Standards - People		
GRI 401: Employment 2016	3-3 Management of material topics	40-41
	401-1 New employee hires and employee turnover	41, 106
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	106
	401-3 Parental leave	107
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	42
	403-1 Occupational health and safety management system	42, 108-109
	403-2 Hazard identification, risk assessment, and incident investigation	42, 108-109
	403-3 Occupational health services	42, 108-109
	403-5 Worker training on occupational health and safety	42, 108-109
	403-6 Promotion of worker health	42, 108-109
	403-8 Workers covered by an occupational health and safety management system	42, 108-109
	403-9 Work-related injuries	42, 108-109
	403-10 Work-related ill health	42, 108-109
GRI 404: Training and Education 2016	3-3 Management of material topics	41
	404-1 Average hours of training per year per employee	18, 103
	404-3 Percentage of employees receiving regular performance and career development reviews	107
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	41
	405-1 Diversity of governance bodies and employees	100
	405-2 Ratio of basic salary and remuneration of women to men	110
GRI 413: Local Communities 2016	3-3 Management of material topics	44-45
	413-1 Operations with local community engagement, impact assessments, and development programmes	44-45

Directors' Report

Dear Members

Your Directors are pleased to present their Forty Second Report together with the audited Stand-alone and Consolidated financial statements of the Company for the year ended 31st March, 2023.

Financial Results

This discussion on the financial performance and results of operations of your Company for the year ended 31st March, 2023, which are summarized below, should be read in conjunction with its audited stand-alone and the consolidated financial statements containing financials and notes thereto of Sagar Cements Limited and its subsidiaries, namely Sagar Cements (M) Private Limited, Jajpur Cements Private Limited and Andhra Cements Limited.

₹ In lakhs

Description	Stand-alone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	1,91,040	1,56,786	2,22,954	1,59,687
Other Income	7,968	2,691	22,270	1,342
Total income	**1,99,008**	**1,59,477**	**2,45,224**	**1,61,029**
Total expenses	1,73,737	1,28,177	2,07,636	1,32,110
Profit before Interest, Depreciation and Tax	25,271	31,300	37,588	28,919
Less: Finance Cost	10,433	6,934	20,164	9,248
Depreciation	8,490	8,035	15,577	9,271
Profit before tax	6,348	16,331	1,847	10,400
Total Tax	2,426	5,953	997	4,485
Profit after Tax	3,922	10,378	850	5,915
Other Comprehensive Income	13	127	15	131
Total Comprehensive Income	3,935	10,505	865	6,046
Basic & Diluted Earnings per share of ₹ 2 each	3.03	8.83	0.66	5.03

Performance

Due to increase in the input cost, particularly power and fuel, your company witnessed a marginal set back in its performance, resulting in an operational profit of ₹252.71 crores. To avoid repetition in the Directors' Report, further details about other aspects of the performance of the Company during the year 2022-23 have been furnished in the Management Discussion and Analysis Report as annexure to this report.

Dividend

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

https://sagarcements.in/wp-content/uploads/2020/08/Scl_Dividend-Distribution-Policy-1.pdf

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

Transfer to reserves

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

Share Capital

Authorised Share Capital:

As on 31st March, 2023, the authorised share capital of the company was ₹182,50,00,000/- comprising of 69,75,00,000 Equity Shares of ₹2/- each and 4,30,00,000 Preference Shares of ₹10/- each.

Paid-up Share Capital:

During the year, your company allotted 1,32,07,548 equity shares of ₹ 2/- each at an issue price of ₹ 265/- per share including a premium of ₹ 263/- per share) as a result of which, the paid-up share capital of the company as on 31st March, 2023 stood increased to ₹ 26,14,15,096 dividend into 13,07,07,548 equity shares of face value of ₹ 2/- each.

Utilization of funds raised through issue of Equity Shares

The sum of ₹350,00,00,220/- raised during the year 2022-23 through issue of Equity Shares on a preferential basis has been fully utilized for the purpose for which it was raised and there has been no deviation or variation in utilisation of this sum.

Subsidiaries, Joint Ventures and Associate Companies

The performance of your subsidiary viz., M/s. Sagar Cements (M) Private Limited (formerly known as Satguru Cement Private Limited) and M/s.Jajpur Cements Private Limited (a wholly-owned subsidiary), both of which were acquired by your company, and commissioned in the year 2021-22, is satisfactory and on the expected lines.

With a view to synchronize the operations, efforts to merge Jajpur Cements Private Limited with your company are in progress.

We are pleased to inform you that your company has acquired 8,75,63,533 equity shares of ₹10/- each (95% stake) in Andhra Cements Limited (ACL) through a Insolvency and Bankruptcy Code Process in the month of March, 2023, by virtue of which, the said ACL has become subsidiary of your company. This subsidiary has an integrated plant with Clinkerisation Capacity of 1.65 MnT and Cement Grinding Capacity of 1.8 MnT along with 30 MW captive power plant located at Durgapuram, Dachepalli-522414, Palnadu (District), Andhra Pradesh and a grinding unit of 0.80 MnT capacity in Visakhapatnam. The Dachepalli unit has resumed its grinding operations post the above acquisition and clinkerisation at the said plant is expected to resume shortly.

Salient features of the financials of the above mentioned subsidiaries have been given in Form AOC-1 as Annexure 1 to this report.

Performance of your Company's Plants

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

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

Details relating to future outlook, risk management system and internal control and its adequacy have been given in detail in the Management and Discussion Analysis Report, which is part of the Directors Report.

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

Human resource development and Industrial Relations

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

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

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

Sexual Harassment

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

Awards and Recognitions

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

Your company has been awarded with "Best Management Award" by the Ministry of Labour, Government of Telangana in appreciation of the company's providing local employment and skill development training for qualified graduates at its Mattampally unit.

The blended products produced by your Company at its Gudipadu Unit have been certified with "GreenPro" by the CII Green Product and Services Council.

Your Company's Bayyavaram Unit has been awarded with "National Excellent Energy Efficient Unit – 2022" by Confederation of Indian Industry.

Your Company's Limestone mine at Mattampally plant was awarded with "5 Star Rating for the year 2021-22" by Indian Bureau of Mines.

As the shareholders are aware your company's Laboratory at its Plant in Mattampally is the recipient of the Accreditation by the National Accreditation Board for Testing and Calibration Laboratories (NABL), which is the sole accreditation body for testing and calibration laboratories under the aegis of Department of Science and Technology, Government of India.

Directors Responsibility Statement

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

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

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

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

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

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

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

Directors and Key Managerial Personnel

Shri K. Thanu Pillai, on his successful completion of second consecutive term as an Independent Director of the Company laid down his office from the Board as its Member and Chairman on 24th September, 2023.

Shri V.H. Ramakrishnan, who also completed successfully his second consecutive term as an Independent Director of the Company laid down his office from the Board as its Member on 30th March, 2023.

Your Board has placed on record its appreciation of the valuable guidance received from these directors during their respective tenure on the Board and wished them a good health to enable them to continue to lead an active life in the years to come.

On recommendation of the Nomination and Remuneration Committee, your Board of Directors at its meetings held on 20th July, 2022 and 27th March, 2023, appointed Shri K.V. Vishnu Raju and Shri Ravichandran Rajagopal respectively as Independent Directors of the company and subsequently these appointments were approved by the shareholders through postal ballot passed on 11th October, 2022 and 4th May, 2023 respectively.

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

Excepting Mrs. S. Rachana, who was a director in Panchavati Polyfibres Limited until 6th June, 2022 and a director and major shareholder in R V Consulting Services Private Limited, whose transactions with the company have been reported under the related parties disclosure in the notes to the accounts, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

Independent Directors Declaration

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

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

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

Number of meetings of the board

During the year 2022-23, eight meetings of the board were held and the details of these meetings of the Board as well as its Committees have been given in the corporate governance report, which forms part of the Integrated Report.

Credit Rating

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

Policy on directors' appointment and remuneration and other details

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

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

Board evaluation

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

Auditors

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

Auditors' Report and Secretarial Auditors' Report

Auditors' Report

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

Secretarial Auditors' Report

In accordance with Section 204 (1) of the Companies Act, 2013, the report furnished by the Secretarial Auditors, who carried out the secretarial audit of the company under the said Section is given in the **Annexure-2**, which forms part of this report. The observations made by the Secretarial Auditors in their Report are self-explanatory. Your company has complied with the Secretarial Standards applicable for holding Board and General Meetings.

Secretarial Standards

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

Maintenance of Cost Records

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

Cost Auditors

M/s.Narasimha Murthy & Co., Cost Auditors (FR No.000042) have been appointed as Cost Auditors of the company for the year ending 31st March 2024. A resolution seeking shareholders' approval for ratification of the remuneration payable to the said Cost Auditors has been included in the notice of the AGM. The reports submitted by the Cost Auditors are duly filed with the appropriate authorities under Section 148 of the Companies Act, 2013.

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

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

Particulars of loans, guarantees and investments

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

Transactions with related parties

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

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

During the year 2022-23 your Company had not entered into transactions with any person or entity belonging to its promoter / promoter group, which holds 10% or more shareholding in the Company.

Policy on transaction with related parties:

Policy on dealing with related party transactions is available on the website of the company https://sagarcements.in/wp-content/uploads/2020/08/SCL_Policy-on-Related-Party-Transactions.pdf

Corporate Social Responsibility

A brief outline of the Corporate Social Responsibility (CSR) Policy of the company along with the initiative taken by your company are set out in **Annexure-4** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy is also available on the website of the company, https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

Annual Return

Annual Return in Form MGT-7 is available on the company's web site and the link for the same is https://sagarcements.in/wp-content/uploads/2020/08/Draft-Annual-Return.pdf

Particulars of Employees

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

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

Particulars	Ratio to Median Remuneration
Non-Executive Directors	Non-Executive Directors are not paid any remuneration, other than sitting fee
Executive Directors:-	
Dr.S.Anand Reddy	108.55
Shri S.Sreekanth Reddy	102.63

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

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Shri K.Thanu Pillai, Non-Executive Director (Up to 23.9.2022)	These non-executive directors, were not paid any remuneration, other than the sitting fee.
Shri V.H.Ramakrishnan, Non-Executive Director (Up to 29.3.2023)	
Mrs.O.Rekha, Non-Executive Director	
Mrs.Sudha Rani Naga (APIDC Nominee Director)	
Shri John-Eric Bertrand, Non-Executive Director	
Shri Jens Van Nieuwenborgh, alternate director to Shri John-Eric Bertrand, Non-Executive Director	
Mrs.S.Rachana, Non-Executive Director	
Shri Madhavan Ganesan, Nominee Director (With effect from 11.5.2022)	
Shri K.V.Vishnu Raju, Independent Director (With effect from 20.7.2022)	
Shri Ravichandran Rajagopal, Independent Director (With effect from 27.3.2023)	
Dr.S.Anand Reddy, Managing Director	-20.63
Shri S.Sreekanth Reddy, Joint Managing Director	-22.21
Shri R.Soundararajan, Company Secretary	4.50
Shri K.Prasad, Chief Financial Officer	4.50

c. The percentage increase in the median remuneration of employees in the financial year: 7.86

d. The number of permanent employees on the rolls of Company: 745

e. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is around 9%. The managerial remuneration is as per the approval accorded by the Nomination and Remuneration Committee of the Board and Shareholders.

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

Particulars	On March 31, 2023 (₹) *	On June 22, 1992 (₹) **	% Change
Market Price in NSE	189.75	Not listed	-
Market Price in BSE	189.20	45.00	321.67%

* Face value of ₹2/- each

** Face value of ₹10/- each

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

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

Whistle Blower Policy

The company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for directors and employees of the company to enable them to report their genuine concerns, if any. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act and the SEBI Listing Regulations and the said policy is available on the company's website https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

Deposits from public

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

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

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

Insurance

All the properties of the Company have been adequately insured.

Pollution Control

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

Sub Committees of the Board

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

Change in the Nature of Business

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

Report on Corporate Governance

In accordance with Regulation 34 read with Schedule V(C) of Listing Regulations, the Report on Corporate Governance is given as part of this report.

Compliance Certificate

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

Material changes and Commitments since the end of the Financial Year

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

Significant and material orders passed by the Regulators

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

Disclosure of Accounting Treatment

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

Cautionary Statement

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

Investor Education and Protection Fund (IEPF)

During the year, the Company has transferred the unclaimed and unpaid dividend of ₹6,93,249/-. Further, 59,495 corresponding equity shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF Rules. The details of the resultant benefits arising out of shares already transferred to the IEPF, year-wise amounts of unclaimed/unpaid dividends lying in the unpaid dividend account up to the year, and the corresponding equity shares, which are liable to be transferred, are provided in the Shareholder information section of the corporate governance report and are also available on our website, at https://sagarcements.in/investors/dividend.

Other Disclosures

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

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

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

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

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

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

Acknowledgement

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

For and on behalf of the Board of Directors

Hyderabad	**Dr. S. Anand Reddy**	**S. Sreekanth Reddy**
10th May, 2023	Managing Director	Joint Managing Director
	DIN: 00123870	DIN: 00123889

Form AOC-1

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

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

Part "A": Subsidiaries

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

S.No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	SAGAR CEMENTS (M) PRIVATE LIMITED (SCMPL)	JAJPUR CEMENTS PRIVATE LIMITED (JCPL)	ANDHRA CEMENTS LIMITED (ACL)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees	Indian Rupees
4.	Share Capital	504	10,768	9,217
5.	Reserves & surplus	9,592	1,809	26,307
6.	Total Assets	63,275	36,356	90,881
7.	Total Equity and Liabilities	63,275	36,356	90,881
8.	Investments	0	0	0
9.	Turnover	26,642	7,420	0
10	Profit/(Loss) before tax	(7,680)	3,832	(480)
11.	Provision for tax	(1,870)	512	70
12.	Profit/(Loss) after tax	(5,810)	3,320	(410)
13.	Proposed Dividend	0	0	0
14.	% of shareholding	65%	100%	95%

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

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

Part "B": Associates and Joint Ventures

The company does not have any Associates or Joint Ventures

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

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

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date : May 10, 2023

K. Prasad
Chief Financial Officer

R. Soundararajan
Company Secretary
M.No.F4182

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2023

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

To,

The Members,

Sagar Cements Limited,

Plot No.111, Road No.10, Jubilee Hills,

Hyderabad, Telangana – 500033.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

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

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

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

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

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(x) Factories Act, 1948;

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

(xii) Maternity Benefits Act, 1961;

(xiii) Minimum Wages Act, 1948;

(xiv) Negotiable Instruments Act, 1881;

(xv) Payment of Bonus Act, 1965;

(xvi) Payment of Gratuity Act, 1972;

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

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

  i. Cement Cess Rules, 1993;

  ii. Cement (Quality Control) Order, 2003;

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

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

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

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

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

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

ix. Mines Act, 1952 and Rules issued thereunder;

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

xi. The Electricity Act, 2003;

xii. National Tariff Policy;

xiii. Essential Commodities Act, 1955;

xiv. Explosives Act, 1884; and

xv. Indian Boilers Act, 1923.

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

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except to the extent as mentioned below:

Relevant Provision for Compliance Requirement	Observation
Regulation 18(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015: Composition of the Audit Committee - At least two-thirds of the members of audit committee shall be independent directors.	The composition of Audit Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022. The Company rectified this lapse on 06.11.2022.
Regulation 19(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015: Composition of the Nomination & Remuneration Committee - At least two-thirds of the directors shall be independent directors.	The composition of Nomination & Remuneration Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022. The Company rectified this lapse on 06.11.2022.

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

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

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

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

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

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

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

1. The Company has issued and allotted 1,32,07,548 Equity Shares of ₹2/- each at a premium of ₹263/- per share on preferential basis.
2. The Company has acquired 95% stake in M/s. Andhra Cements Limited by virtue of approval of submitted Resolution Plan by the Hon'ble National Company Law Tribunal, Amaravati Bench vide its Order dated 16.02.2023.

for **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: -A022119E000281202
Peer review No: 726/2020

Date: May 10, 2023
Place: Hyderabad

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

Annexure-A

To,
The Members,
Sagar Cements Limited,
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad, Telangana – 500033.

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

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

for **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: -A022119E000281202
Peer review No: 726/2020

Date: May 10, 2023
Place: Hyderabad

Annual Secretarial Compliance Report of Sagar Cements Limited for the year ended March 31, 2023

To,

Sagar Cements Limited,

Plot No.111, Road No.10, Jubilee Hills,

Hyderabad, Telangana-500033.

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

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

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

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

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

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

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

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

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

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

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

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

Based on our examination and verification of the documents and also the information provided by the Company and its officers during the conduct of audit, we hereby affirm in the below tabled manner as per BSE Notice No. 20230410-41 dated 10.04.2023 and NSE Circular Ref No: NSE/CML/2023/30 dated 10.04.2023 and amendments thereof:

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

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

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Composition of the Audit Committee - At least two-thirds of the members of audit committee shall be independent directors.	Regulation 18(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	During the period from 23.09.2022 – 05.11.2022, number of Independent Directors in the Audit Committee was less than 2/3rd of its total strength.	BSE	Issued Notice to the Company	The composition of Audit Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022	Nil	The Company rectified this lapse on 06.11.2022	In order to compliance with the applicable regulation, the Board of Directors has reconstituted the Audit Committee.	No further Comments.
2	Composition of the Nomination & Remuneration Committee - At least two-thirds of the directors shall be independent directors.	Regulation 19(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	During the period from 23.09.2022 – 05.11.2022, number of Independent Directors in the Nomination & Remuneration Committee was less than 2/3rd of its total strength.	-	Issued Notice to the Company	The composition of Nomination & Remuneration Committee was not in compliance with the regulation from 23.09.2022 – 05.11.2022	-	The Company rectified this lapse on 06.11.2022	In order to compliance with the applicable regulation, the Board of Directors has reconstituted the Nomination & Remuneration Committee.	No further Comments.

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

S. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

for **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: -A022119E000281213
Peer review No: 726/2020

Date: May 10, 2023
Place: Hyderabad

Annexure - 3

Form No. AOC-2

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

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

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

   Sagar Cements Limited has not entered into any contract or arrangement or transaction with its related parties which is not in its ordinary course of business or at arm's length during financial year 2022-23.

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

   There were no material contracts or arrangements or transactions with related parties during the financial year 2022-23.

On behalf of the Board of Directors

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date : May 10, 2023

K. Prasad
Chief Financial Officer

R. Soundararajan
Company Secretary
M.No.F4182

Annexure - 4

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

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

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

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

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

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

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

2. Composition of CSR Committee:

Sl. No.		Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri K.Thanu Pillai (Up to 23.9.2022)	Chairman	1	-
2	Shri K.V.Vishnu Raju (With effect from 23.9.2022)	Chairman	1	1
2	Dr.S.Anand Reddy	Member	1	1
3	Shri S.Sreekanth Reddy	Member	1	1
4	Mrs.S.Rachana	Member	1	1

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

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

CSR Policy and CSR Projects:

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

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

5. (a) Average net profit of the company as per Section 135(5): ₹15064 lakhs.

(b) Two percent of average net profit of the company as per Section 135(5): ₹301.29 lakhs.

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

(d) Amount required to be set off for the financial year, if any: ₹25.70 lakhs

(e) Total CSR obligation for the financial year (5b+5c-5d): ₹275.59 lakhs

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State.	District.			Name.	CSR registration number.
1.	Preventive health care and promotion for safe drinking water	Preventive health care and promotion of sanitation and making available safe drinking water.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		47,13,707	Direct	Not Applicable	
2.	Training and education	Promotion of Education and infrastructure for it.	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		65,57,645	Direct		
3.	Training and promotion of sports	Organizing sports events and sponsor of sports personnel	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		6,66,600	Direct		
4.	Rural Development	Laying of Roads and related works	Yes	Local Areas of Nalgonda District, Telangana and Gudipadu Village, Yadiki Mandal, Ananthapur District, Andhra Pradesh		1,60,96,245	Direct		
	Total					2,80,34,197			

(b) Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year (6a+6b+6c): ₹2,80,34,197/-

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

Total Amount Spent for the Financial Year (₹in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
280.34	0	Not applicable	Not applicable	0	Not applicable

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)	
(i)	Two percent of average net profit of the company as per Section 135(5)		301.29
(ii)	(a) Total amount spent for the Financial Year	280.34	
	(b) Excess amount spent for the Previous Financial Year	25.70	306.04
(iii)	Excess amount spent for the financial year [(ii)-(i)]		4.75
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		4.75

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (₹ in lakhs).	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
- Nil -							

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Not Applicable								

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

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

Place: Hyderabad
Date : May 10, 2023

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

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

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

Name of the Employee	Dr. S.Anand Reddy	Shri S.Sreekanth Reddy	Shri K.Ganesh
Designation	Managing Director	Joint Managing Director	Group President
Age	58 years	50 years	61 years
Remuneration received (₹)	3,15,00,000	2,83,50,000	1,02,51,450
Commission received (₹)	2,75,50,000	2,75,50,000	-
Nature of employment	Contractual	Contractual	Contractual
Nature of duties	General Management	General Management	General management
Qualification	M.B.B.S.	B.E. (I & P) P.G. Dip. in Cement Technology	Diploma in Mechanical Engineering
Overall Experience (Years)	32	27	44
Date of Commencement of Employment	23.11.1991	26.06.2003	24.02.1992
Last Employment held	Nil	Nil	Nil

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

For and on behalf of the Board of Directors

Place: Hyderabad
Date : May 10, 2023

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Annexure - 6

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

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

Conservation of Energy and Technology Absorption

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

1. Utilization of Alternative Fuel and Raw Material (AFR) for replacement of pet coke to the tune of 10%.
2. Utilization of Rice husk to increase further reduction of pet coke.

Optimization of Plant Capacity

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

The following initiatives have been taken.

1. Construction of clinker storage silos for automatic feeding of clinker in to the wagons.
2. Installation of 90 KW solar power system at the side of railway siding to reduce the energy cost.
3. Construction of Alternative Fuel and Raw Material shed for storage of AFR material.
4. Upgradation of PLC from ECS to ECS-V8 for optimization of plant operation.

Research and Development

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

Foreign Exchange earnings and Outgo

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

(₹ in Lakhs)

S.No	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
1	Outgo	8,108	12,622
2	Inflow	Nil	Nil

For and on behalf of the Board of Directors

Place: Hyderabad
Date : May 10, 2023

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Management Discussion and Analysis

Review of Economy

Global Economy

The global economy in 2022 was largely dominated by high inflation, the Russia-Ukraine crisis and outbreak of COVID-19 infection strains. The rapid increase in interest rates by central banks concerned impacted demand and global GDP growth. The commodity prices however have moderated from the high level seen immediately after the Russia-Ukraine conflict. Lower food and energy prices and an easing of the supply chain are positives. Consequently, headline inflation has declined from its peak witnessed in 2022, though core inflation continues to remain high.

A hard landing for the global economy is expected due to persistent inflation and financial sector turmoil. The rapid increase in interest rates to control inflation has brought forth the vulnerabilities of the banking sector. In such a scenario, policymakers must balance controlling inflation and ensuring financial stability while providing much needed fiscal support and international cooperation to sustain economic recovery. According to the IMF, GDP growth is forecast to drop from 3.4% in 2022 to 2.8% in 2023 and settle at 3.0% in 2024. Advanced economies should anticipate a considerable growth decrease, from 2.7% this year to 1.3% the following year. Global headline inflation is expected to drop from 8.7% in 2022 to 7.0% in 2023 because of lower commodity prices, even as core inflation is likely to decline slowly.

China's reopening in November 2022 brought back a positive sentiment for the manufacturing sector along with easing out of logistical challenges. The manufacturing cost has increased globally, driven by higher raw material and energy costs, as well as supply disruptions. Despite these challenges, businesses particularly in manufacturing and services have been working hard to maintain their profitability and competitiveness. By adapting to changing market conditions and implementing new strategies, many companies have been able to weather these challenges and continue to thrive in today's economic landscape.

Indian Economy

In the above background, India witnessed a remarkable recovery in the post-COVID world, delivering one of the best performances in terms of economic output. The economy is experiencing sustainable growth, as evident from the country's estimated 6.9% growth rate in FY2023 that surpasses that of other major economies. The service, manufacturing and export sectors sprung back to action in the post-COVID environment. The revival facilitated by the government's spending on infrastructure and other key economic drivers yielded positive results, with almost all sectors of the economy experiencing a robust recovery. To contain inflation, the government pursued supply-side reforms, promoted exports and tightened monetary its policy.

During FY2023, the government increased capital spending by 37%. Its priorities remain on critical infrastructure projects such as expressways, high-speed rail, mass transit systems, airports, and affordable housing. The spending in these areas also contributed to normalising the allied sectors that were affected by the pandemic, and, in turn, led to investments and job creation.

With a nominal GDP of US$ 3.53 trillion, India is the fifth largest economy in the world. According to the forecasts by IMF, by 2030 it will surpass Japan and Germany as the third-largest economy and the fastest-growing major economy. As part of the Indian government's Atmanirbhar Bharat initiative, the PLI scheme aims to make India a manufacturing powerhouse by reducing imports and incentivizing local production.

Outlook

The International Monetary Fund (IMF) has projected India's GDP growth to be 5.9% in FY2024, and 6.3% in FY2025, driven by strong private sector investment and supported by improvement in transport infrastructure and logistics. The Union Budget 2023-24 has allocated a record amount of ₹ 10 Lakh Crores for capital expenditure, which will boost infrastructure development, create jobs, and stimulate demand in the economy.

India's economic growth rate is outpacing many advanced and emerging economies thanks to a strong emphasis on domestic consumption. The government's strong infrastructure push under National Master Plan for Multimodal Connectivity, logistics development, and industrial corridor development will help drive market competitiveness and fuel future growth. The improvement of labour market conditions and consumer confidence will increase private consumption. Additionally, contact-intensive services have already on a rebound, nearing pre-COVID levels.

Despite this, potential risks still exist for India's growing economy. OPEC production levels could push up oil prices, possible issues with financial sectors of advanced countries could increase risk aversion across financial markets and impede capital flows, and an the El Nino event may weaken Indian monsoon rains, thus affecting food security.

Industry Overview

India is the world's second-largest cement producer, and this is attributed to an ever-increasing investment housing sector and infrastructure investment. Between 2013 and

2022, 217 MT of capacity were added, raising the installed capacity to 570 MT from 353 MT in 2012. Despite the challenges due to the pandemic, cement producers have been able to deleverage on positive demand and make profitable gains.

The primary demand driver for the cement industry will continue to be India's expanding housing sector, which normally accounts for 65% of the country's total cement consumption. The Union Budget for the year 2023-24 has an outlay for PM Awas Yojana, which is being enhanced by 66% to over ₹ 79,000 Crores (US$ 9.6 billion) to build affordable houses in urban and rural India. India built 12,000 kilometres of roadways in 2022, and this momentum is projected to continue in 2023 and 2024, supported by a number of governments programmes, which would further increase cement demand.

The cement demand in FY2023, though started on a mute note because of the inflationary environment, picked up pace in the second half as global raw material prices stabilised. Cement volumes grew by 8-9% in FY2023 to 380-385 million tonne, driven by housing demand, both rural and urban, and the infrastructure sector. Cement manufacturers are wary of further increasing their prices and this is leading to an impact on their profitability margins. Cost optimisation through tech enablement and innovating manufacturing processes have become extremely important for firms to sustain in the long run.

India's cement manufacturers are known to be the greenest in the world, with their emphasis more on producing cement that has a lower carbon footprint in the manufacturing process. They recycle industrial waste and use less energy while keeping the CO_2 emissions at a low level.

Outlook

Capacity expansion for 2023-2027 is estimated at 145-155 MT, with a CAGR of 5%. This can be attributed to population growth and government investments in infrastructure projects. A CAGR of 6-7% in cement over that time will likely drive the supply increase. Demand for cement will be driven by infrastructure upgrades, rural housing and urbanisation. With the next general elections in India to be held in 2024, government spending on critical infrastructure will likely to be high.

Performance Review on Consolidated Basis

Operational Performance

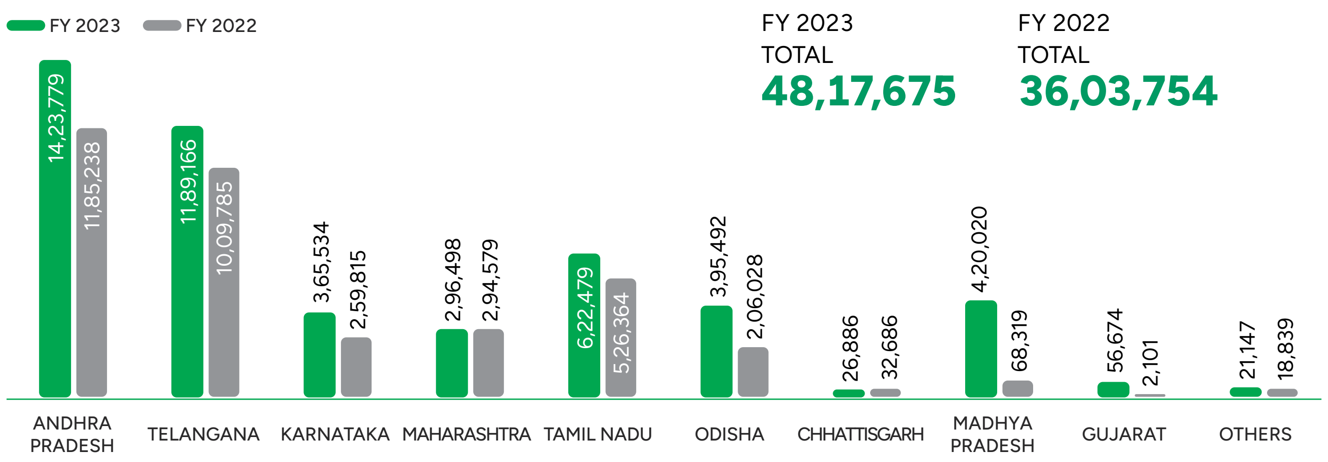
Our cement production increased by 32% in FY2023, driven by production from new plants and higher utilisation of existing plants. Our consolidated sales grew to 4.8 million tonnes in FY2023 (FY2022: 3.6 mnt), led by increased volumes in South India and additional volumes from the newly commissioned plants in Madhya Pradesh and Odisha.

With the recent acquisition of Andhra Cements Limited in March 2023, we are able to increase our production capacity to over 10 MTPA, ahead of our target in FY2025. We have also successfully expanded our customer base to newer markets in Maharashtra and Odisha.

However, our operating margins took a hit due to the high costs of input materials like coal, coke and diesel.

Particulars (tonnes)	FY 2023	FY 2022
Cement production/ purchases	48,25,480	36,08,163
Cement sales volume	48,17,675	36,03,754

Region wise sales (in MT)



Financial Performance

Our revenue/income increased by 40% to ₹ 2,230 Crores led by higher volumes and higher pricing. The EBITDA declined during the year by 44% to ₹ 153 Crores due to higher inputs costs. PAT for the year was ₹ 9 Crores, down by 86% from a year ago, on account of lower profitability and higher interest expense. expense.

Particulars (₹ in Lakhs)	FY 2023	FY 2022
Total income/revenue	245,224	1,61,029
Total Expenses	243,377	1,50,629
EBITDA	15,318	27,577
Profit Before Tax	1,847	10,400
Profit After Tax	850	5,915
Basic & Diluted Earnings Per Share of ₹ 2 each (₹ per share)	0.66	5.03

Financial ratios

Sr No	Particulars	FY 2023	FY 2022
1	Debtor's Turnover Ratio (Sales of Products and Services / Average Trade Receivable)	15.96	13.22
2	Inventory Turnover Ratio (Sales of Products and Services/ Average Inventory)	9.04	9.23
3	Interest Coverage Ratio [Cash profit after adjusting depreciation / Interest expense during the period] [Cash profit after adjusting depreciation: Profit After Tax + Interest + Depreciation]	1.98	2.64
4	Current Ratio (Current Assets / Current Liabilities excl. Current Borrowings)	1.68	1.92
5	Debt Equity Ratio (Debt / Net Worth) [Debt: Long term secured loans + Current maturities of long-term debt + Long term unsecured loans+ Cash credit facilities]	0.87	1.15
6	Operating Profit Margin* (%) [(Profit before Depreciation, Interest, Tax and Exceptional Item Less Other Income)/ Sales of Products and Services]	7.00	17.00
7	Net Profit Margin* (%) [Profit after tax/ Sales of Products and Services]	0.40	4.00
8	[Return on Net worth* (%) (Net Profits after taxes)/ Average Shareholder's Equity]	1.00	5.00

* During the financial year ended 31st March 2023 due to increased power & fuel costs, operating margins were impacted, resulting in variations in ratios.

Sustainability

Sagar Cements always has high regard for the natural ecosystem. FY23 marks yet another milestone with our ESG vision document. We have laid out a roadmap on our performance on various ESG parameters and have set medium to long term targets to achieve it. It is a testament for our commitment to be net zero by 2050. Read more about our ESG vision on page 30.

Technology

Sagar Cements is leveraging its advanced technology to manufacture high-quality cement at cost-effective prices, resulting in a compelling value proposition for its customers. Our commitment to innovation and continuous investment in research and development are enabling us to introduce distinctive products and solutions that cater to the evolving needs of our customers belonging to a sector that is striving to reduce its carbon emissions.

Outlook

We continue to create consistent value through capacity expansion, technological innovation, and sustainable manufacturing techniques. Our plants spread across south, central and eastern India help us optimise our costs while contributing for our expansion in newer geographies. We are committed to increase the share of green cement in our portfolio through technological innovation that would limit our impact on the environment.

The steadfast trust of our stakeholders makes us a preferred brand among all our customers, suppliers, contractors and the communities we operate in. This trust also gives us wings to grow sustainably. We remain strongly optimistic about future, where we can strategically capitalise on the growing demand for cement in Southern, Eastern and Central India.

Risk Management

As a cement manufacturer, we are subject to internal as well as external uncertainties that shape our risk management policy. While internal risks can be managed with stringent compliance systems, external risks depend on multiple variables beyond our control. Robust risk management ensures we anticipate problems and mitigate them effectively. Our risk management committee monitors any emerging risks that might prove to be a hindrance in the future.

We are responsive to newer opportunities that would create greater value for our shareholders. However, every significant proposal is scrutinised at all levels to identify any risks involved. It is approved only after the management ensures the necessary risk assessment has been done.

Any financial risk management pertaining to operations is implemented through internal, statutory and cost audits. These audits are periodically carried out by verified auditors. The JMD heads the risk management committee that reviews the day-to-day risks of the organisation. Risk review meetings are conducted to analyse the implemented plans and the identification and mitigation of newer areas of concern.

Read more about our risks management on Page 26.

Internal Controls and Audit

The Board of Directors are satisfied with the adequacy of the internal control system currently in force in all our major areas of operations, supported by an ERP and Compliance Management Systems. The Audit Committee assists the Board of Directors in monitoring the integrity of the financial statements, reservations, if any, expressed by our auditors including, the financial, cost. Our internal controls are adequate and effective.

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

Corporate Governance Report

for the year 2022-23

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

1. Company's philosophy on code of governance:

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

2. Board of Directors:

Composition:

As on 31st March, 2023, the Board of Directors had an optimum combination of Executive and Non-Executive Directors and its composition was in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act"). All the Directors have made the requisite disclosures regarding directorships and Committee positions held by them in other Companies.

(i) As on 31st March, 2023 the Company had ten Directors, including an alternate director.

(ii) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2023 are given hereunder. Other directorships do not include their directorships if any in private limited companies, foreign companies and companies registered under Section 8 of the Act. Chairmanships / Memberships of Audit Committee and Stakeholders' Relationship Committee are alone considered for the purpose.

Name of the Director	Category	Number of board meetings during the year 2022-23		Whether attended the last AGM held on 30.6.2022	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri K.V.Vishnu Raju (As Independent Director with effect from 20.7.2022 and as Chairman and Independent Director with effect from 24.9.2022)	Chairman, Independent and Non-Executive Director	8	6	NA	0	5	0	1
Shri K.Thanu Pillai (Up to 23.9.2022)	Chairman, Independent and Non-Executive Director	8	4	Yes	-	0	0	0
Dr.S.Anand Reddy	Executive Director (Promoter)	8	8	Yes	0	5	1	0
Shri S.Sreekanth Reddy	Executive Director (Promoter)	8	8	Yes	0	5	0	1
Mrs. S.Rachana	Non-Executive Director (Promoter Group)	8	8	Yes	0	0	0	0
Shri V.H. Ramakrishnan (Up to 29.3.2023)	Independent and Non-Executive Director	8	8	Yes	0	0	0	0
Mrs. Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	8	7	Yes	0	0	0	0
Shri John-Eric Bertrand	Non-Executive Director	8	4	Yes	0	0	0	0
Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Bertrand	8	2	NA	0	0	0	0

Name of the Director	Category	Number of board meetings during the year 2022-23		Whether attended the last AGM held on 30.6.2022	Number of Directorships in other Unlisted Public Companies		Number of Committee positions held in other Unlisted Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mrs.O.Rekha	Independent and Non-Executive Director	8	8	Yes	0	1	1	0
Shri Madhavan Ganesan (With effect from 11.5.2022)	Nominee Director from PI Opportunities Fund-I Scheme II (Equity Investor)	8	7	No	0	0	0	0
Shri Ravichandran Rajagopal (With effect from 27.3.2023)	Independent and Non-Executive Director	8	-	NA	-	1	0	0

NA – Not Applicable

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

Sl No.	Name of the Director	Category	Names of the other Listed Entities where the person is a director and the category of such directorship		Chairmanship / Membership in Committees of other Listed Entities	
			Company	Category	Chairman	Member
1	Shri K.V.Vishnu Raju (As Independent Director with effect from 20.7.2022 and as Chairman and Independent Director with effect from 24.9.2022)	Chairman and Independent Director	Anjani Foods Limited Andhra Cements Limited	Chairman Independent Director	2	1
2	Shri K.Thanu Pillai (Up to 23.9.2022)	Chairman and Independent Director	Sathavahana Ispat Limited	Independent Director	1	0
3	Dr.S.Anand Reddy	Managing Director (Promoter)	Andhra Cements Limited	Non-Executive Director	0	1
4	Shri S.Sreekanth Reddy	Joint Managing Director (Promoter)	Sagarsoft (India) Limited Andhra Cements Limited	Chairman – Non-Executive Director Non-Executive Director	0	1
5	Mrs.S.Rachana	Non-Executive Director (Promoter Group)	Andhra Cements Limited	Director	0	0
6	Shri V.H.Ramakrishnan (Up to 29.3.2023)	Independent Director	The KCP Limited	Independent Director	0	2
7	Shri John Eric Bertrand	Non-Executive Director	-	-	0	0
8	Mrs.Sudha Rani Naga	Nominee Director from APIDC (Equity Investor)	-	-	0	0
9	Shri Jens Van Nieuwenborgh	Alternate Director to Shri John-Eric Bertrand	-	-		
10	Mrs.O.Rekha	Independent Director	Andhra Cements Limited	Independent Director	1	1
11	Shri Madhavan Ganesan (With effect from 11.5.2022)	Nominee Director from PI Opportunities Fund-1, Scheme II	Medplus Health Services Limited	Independent Director	1	1
12	Shri Ravichandran Rajagopal (With effect from 27.3.2023)	Independent Director	Anjani Foods Limited	Whole-time Director	0	2

(iv) As on 31st March, 2023, none of the Directors on the Board held directorships in more than seven listed companies and independent directorships in more than seven listed companies and none of them was a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she was a Director. Necessary disclosures regarding Committee positions held by the Directors in other public companies as on 31st March, 2023 have been made by them.

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

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

11th May, 2022, 20th July, 2022, 27th August, 2022, 23rd September, 2022, 19th October, 2022, 21st December, 2022, 23rd January, 2023 and 27th March, 2023.

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

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

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

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

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

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

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

(x) During the year, the Independent Directors separately held a meeting among themselves on 23rd January, 2023.

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

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

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

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

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

Board Skill Matrix:

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

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

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

(xv) Details of equity shares and convertible securities of the Company held by the Non-Executive Directors as on 31st March, 2023 are given below:

Name	Category	Number of equity shares
Mrs.S.Rachana	Non-Executive, Promoter Group	58,36,415
Mrs.O.Rekha	Independent and Non-Executive Director	1,000

As on 31st March, 2023, none of the Non-Executive Directors/Independent Directors other than those mentioned above was holding any shares or convertible securities in the company.

(xvi) During the financial year 2022-23, none of the Independent Directors had resigned from his/her directorship. However, Shri K.Thanu Pillai and Shri V.H.Ramakrishnan, Independent Directors relinquished their office after successfully completing their second consecutive term, which came to a close on 24th September, 2022 and 30th March, 2023 respectively.

3. Audit Committee

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement for inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in the accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions
  - Qualifications, if any, in the draft audit report.
- Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modifications of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Evaluation of internal financial controls;
- Establishment of vigil mechanism for directors and employees to report their genuine concerns.
- Calling for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of quarterly and annual financial statements before their submission to the Board and discussions on any related issues with the internal and statutory auditors and the management of the Company;
- Review of the information that is required to be carried out, mandatorily or otherwise, as per the Listing Regulations.

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

iv. Shri R.Soundararajan, Company Secretary, has been appointed by the Board as the Compliance Officer to ensure compliance with and effective implementation of the Insider Trading Code.

v. The previous Annual General Meeting ("AGM") of the Company was held on 30th June, 2022 and the Chairman of the audit committee was present at the said meeting.

vi. The composition of the Audit Committee as on 31st March, 2023 and the details of attendance at its meetings held during the year 2022-23 are given below:

Name of the Member	Category	Number of meetings held during the tenure of member in the financial year 2022-23	
		Held	Attended
Mrs.O.Rekha, Chairperson (Appointed as Chairperson with effect from 28.3.2023)	Independent Director	6	6
Shri V.H.Ramakrishnan, Chairman (Up to 28.3.2023)	Independent Director	6	6
Shri K.Thanu Pillai (Up to 23.9.2022)	Independent Director	2	2
Shri K.V.Vishnu Raju (With effect from 27.8.2022)	Independent Director	4	4
Shri Madhavan Ganesan (With effect from 11.5.2022)	Nominee Director	5	5
Shri Ravichandran Rajagopal (With effect from 28.3.2023)	Independent Director	0	0
Shri John-Eric Bertrand (With effect from 23.9.22 and Up to 5.11.2022)	Non-Executive Director	1	1

vii. The Audit committee met 6 times during the year 2022-23 and the dates of these meetings are as under:

11th May, 2022, 20th July, 2022, 19th October, 2022, 21st December, 2022, 23rd January, 2023 and 27th March, 2023.

4. Nomination and Remuneration Committee

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

ii. The terms of reference of the NRC are available on the company's website https://sagarcements.in/wp-content/uploads/2020/08/SCL_Nomination-and-Remuneration-Policy-1-1.pdf as part of the Nomination and Remuneration Policy adopted by the company.

Nomination and Remuneration policy:

i. The Policy on Nomination and Remuneration adopted by the company is aimed at attracting, retaining, developing and motivating workforce. Individual performance is assessed and rewarded through an annual appraisal process. Details of this policy are available on the company's web site, https://sagarcements.in/wp-content/uploads/2020/08/SCL_Nomination-and-Remuneration-Policy-1-1.pdf

iii. The details of the composition of the Nomination and Remuneration Committee as on 31st March, 2023 and the details of the attendance at its meetings during the year 2022-23, are given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the financial year 2022-23	
		Held	Attended
Shri V.H.Ramakrishnan, Chairman (Up to 28.3.2023)	Independent Director	3	3
Mrs.O.Rekha, Chairperson (Appointed as Chairperson with effect from 28.3.2023)	Independent Director	3	3
Shri K.Thanu Pillai (Up to 23.9.2022)	Independent Director	2	2
Mrs.S.Rachana (Up to 11.5.2022)	Non-Executive Director	3	1
Shri Madhavan Ganesan (With effect from 11.5.2022)	Nominee Director	2	2
Shri K.V.Vishnu Raju (With effect from 27.08.2022)	Independent Director	1	1
Shri Ravichandran Rajagopal (With effect from 28.3.2023)	Independent Director	0	0
Shri John-Eric Bertrand (With effect from 23.9.2022 and Up to 5.11.2022)	Non-Executive Director	0	0

The NRC hold three meetings during the year 2022-23 and the dates of the meetings are as under:

11th May, 2022, 20th July, 2022 and 27th March, 2023.

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

v. Performance Evaluation Criteria / Policy for Independent Directors:

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

5. Remuneration of Directors

Remuneration to Non-Executive Directors:

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

Details of sitting fees paid to the non-executive directors during the year 2022-23 are given below:

S.No.	Name of the Director	Sitting Fee (In ₹)
1	Shri K.Thanu Pillai	4,00,000
2	Shri.V.H.Ramakrishnan	8,80,000
3	Mrs.Sudha Rani Naga (APIDC Nominee) Their sitting fees were directly paid to the Institution they represented.	3,20,000
4	Mrs.S.Rachana	4,00,000
5	Mrs.O.Rekha	8,80,000
6	Shri John-Eric Bertrand	2,00,000
7	Shri Jens Van Nieuwenborgh (Alternate Director to Shri John-Eric Bertrand)	80,000
8	Shri Madhavan Ganesan, Nominee (PI Opportunities Fund-I Scheme II)	6,00,000
9	Shri K.V.Vishnu Raju	5,60,000
Total		**43,20,000**

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

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

Remuneration to the Managing Director and Whole time Directors:

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

The whole-time directors were paid the following remuneration for the year 2022-23.

₹ in Lakhs

Description	Dr.S.Anand Reddy (MD)	Shri S.Sreekanth Reddy (JMD)
Salary	180.00	162.00
Perks (75% of the salary)	135.00	121.50
Sub-Total	**315.00**	**283.50**
Commission	275.50	275.50
Total	**590.50**	**559.00**

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

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

6. Stakeholders' Relationship Committee

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

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

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

iii. This Committee had the following directors as its members as on 31st March, 2023:

Name of the Member	Category of the Director
Mrs.Sudha Rani Naga, Chairperson	Nominee/Non-Executive Director
Dr.S.Anand Reddy, Member	Managing Director
Shri K.Thanu Pillai, Member (Up to 23.9.2022)	Independent Director
Shri K.V.Vishnu Raju, Member (With effect from 27.08.2022)	Independent Director

Shri R.Soundararajan, Company Secretary, is the compliance officer for the above purpose. Based on the information obtained from the Company's Registrars, the Company had received 185 complaints from the investors during the year 2022-23 as detailed below and all these complaints, being routine in nature, were redressed in the normal course by the Registrars themselves. There were no complaints pending as on 31st March, 2023.

Sl. No	Particulars	Opening	Received	Resolved	Pending
1	Non-receipt of shares after transfer / transmission	0	0	0	0
2	Non-receipt of dividend warrants	0	134	134	0
3	Non-receipt of Annual Report	0	0	0	0
4	Non-receipt of Securities	0	48	48	0
5	Non-receipt of duplicate / transmission / deletion of share certificates	0	0	0	0
6	SEBI/BSE/ NSE/CSE complaints	0	3	3	0
Total		**0**	**185**	**185**	**0**

During the year, one meeting of the Stakeholders' Relationship Committee was held on 23rd January, 2023 and all the members of the Committee were duly present at the meeting.

iv. Name, designation and address of Compliance Officer:

Shri R.Soundararajan
Company Secretary
Sagar Cements Limited
Regd.Office: Plot No.111, Road No.10
Jubilee Hills, Hyderabad-500 033
Telephone: 91 40 23351571

7. Risk Management Committee

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

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

iii. The details of the composition of the Risk Management Committee as on 31st March, 2023 and the attendance at its meetings held during the year 2022-23, are given below:

Name of the Member	Category	Number of meetings held during the tenure of Member in the financial year 2022-23	
		Held	Attended
Shri S.Sreekanth Reddy, Chairman	Joint Managing Director	2	2
Shri V.H.Ramakrishnan (Up to 28.3.2023)	Independent Director	2	2
Mrs.O.Rekha	Independent Director	2	2
Shri K.Prasad	Chief Financial Officer	2	2
Shri Madhavan Ganesan (With effect from 19.10.2022)	Nominee Director	1	1
Shri Ravichandran Rajagopal (With effect from 28.3.2023)	Independent Director	0	0

The Risk Management Committee had met twice during the year 2022-23 on 19th October, 2022 and 27th March, 2023.

Other Committees

Investment Committee

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

Name	Category
Shri K.Thanu Pillai (Up to 23.9.2022)	Chairman
Dr.S.Anand Reddy	Member
Shri V.H.Ramakrishnan (Up to 28.3.2023)	Member
Mrs.O.Rekha	Member
Shri K.V.Vishnu Raju (As member with effect from 27.08.2022 and as Chairman with effect from 23.9.2022)	Chairman
Shri Ravichandran Rajagopal (With effect from 28.3.2023)	Member

During the year, one meeting of the Investment Committee was held on 20th July, 2022 and all the members of the Committee were duly present at the meeting.

Securities Allotment Committee

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

Name	Category
Shri K.Thanu Pillai (Up to 23.9.2022)	Chairman
Shri. V.H.Ramakrishnan (Up to 28.3.2023)	Member
Mrs.O.Rekha	Member
Shri K.V.Vishnu Raju (As member with effect from 27.08.2022 and as Chairman with effect from 23.09.2022)	Chairman
Shri Ravichandran Rajagopal (With effect from 28.3.2023)	Member

During the year, one meeting of the Securities Allotment Committee was held on 7th May, 2022 and all the members of the Committee were duly present at the meeting.

Corporate Social Responsibility Committee

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

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

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

During the year, one meeting of the Committee was held on 23rd January, 2023.

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

Name of the Member Category Number of meetings held during the tenure of Member in the financial year 2022-23

Name of the Member	Category	Number of meetings held during the tenure of Member in the financial year 2022-23	
		Held	Attended
Shri K.Thanu Pillai, Independent Director (Up to 23.9.2022)	Chairman	0	0
Dr.S.Anand Reddy, Managing Director	Member	1	1
Shri S.Sreekanth Reddy, Joint Managing Director	Member	1	1
Mrs.S.Rachana, Non-Executive Director	Member	1	1
Shri K.V.Vishnu Raju (As member with effect from 27.8.2022 and as Chairman with effect from 23.9.2022)	Chairman	1	1

8. General Body Meetings

i. General Meeting

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

AGM	Date	Time	Venue
41st AGM	30th June, 2022	3.00 p.m.	Through VC/ OAVM
40th AGM	28th July, 2021	2.00 p.m.	Through VC/ OAVM
39th AGM	9th September,2020	3.00 p.m.	Through VC/ OAVM

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

No Special Resolutions were passed at the 39th & 41st Annual General Meetings.

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

Resolutions passed through Postal Ballot on 11th October, 2022:

Two Special resolutions as detailed below were passed on 11th October, 2022 through Postal Ballot, one for appointment of Shri K.V.Vishnu Raju as an independent director of the company and the another one for according consent under Section 186 of the Companies Act, 2013. M/s.BSS & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) conducted the postal ballot exercise and the voting pattern was as under:

Resolution 1: Appointment of Shri K.V.Vishnu Raju as an Independent Director of the company for a term of 5 years with effect from 20th July, 2022

Particulars	Number of Votes
Number of valid votes received	116574029
Votes cast in favour of the resolution	116572963
Votes cast against the resolution	1066
Number of invalid / abstained votes received	1605

Resolution 2: Consent under Section 186 of the Companies Act, 2013 for granting loans, making investments and providing corporate guarantee

Number of valid votes received	116573642
Votes cast in favour of the resolution	113739777
Votes cast against the resolution	2833865
Number of invalid / abstained votes received	1992

Resolutions passed through Postal Ballot on 4th May, 2023

Two Resolutions as detailed below were passed on 4th May, 2023 through Postal Ballot, one for appointment of Shri Ravichandran Rajagopal as an independent director of the company and the another one for approval of material related party transaction. M/s.BSS & Associates, Company Secretaries, (Unique Code of Partnership Firm: P2012AP02600) conducted the postal ballot exercise and the voting pattern was as under:

Resolution 1: Appointment of Shri Ravichandran Rajagopal as an Independent Director of the company for a term of 5 years with effect from 27th March, 2023

Particulars	Number of Votes
Number of valid votes received	118226946
Votes cast in favour of the resolution	118226102
Votes cast against the resolution	844
Number of invalid / abstained votes received	500

Resolution 2: Approval of material related party transaction involving furnishing of corporate guarantee etc., for Andhra Cements Limited, a subsidiary company

Particulars	Number of Votes
Number of valid votes received	20245501
Votes cast in favour of the resolution	20244609
Votes cast against the resolution	892
Number of invalid / abstained votes received	97981945

In respect of Resolution No.2

* Votes cast by 4 related parties holding 3,89,13,885 shares had been considered invalid pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015 and accordingly do not part of the valid votes.

* 18 promoter and promoter group shareholders holding 59068010 shares had abstained themselves from Voting on the 59068010 shares held by them and 1 Shareholder (KMP) who falls under the definition of ₹related party' holding 50 shares had also abstained from Voting for the 50 shares held by him in accordance with the above said SEBI (LODR) Regulations.

Procedure for Postal Ballot – when conducted

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

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

9. Means of communication

Quarterly results:

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

Newspapers in which the results were published:

Details of newspapers in which quarterly results relating to the Financial Year 2022-23 were published are given below:

Quarter ended	Date of Publication	Name of the newspapers carrying the publication
30th June, 2022	21st July, 2022	Financial Express and Andhra Prabha
30th September, 2022	21st October, 2022	
31st December, 2022	25th January, 2023	
31st March, 2023	12th May, 2023	

Website where displayed:

The Financial Results and the Shareholding pattern of the Company are made available on the Company's website https://sagarcements.in/investors/financial-results and also on the website of NSE and BSE as part of corporate filing made by the Company from time to time with the said stock exchanges.

Press Release

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

Presentation made to Institutional Investors and Financial Analysts:

Excepting on occasions when the Company had to respond in a general way to the queries now and then received from investors / analysts regarding the affairs of the company and the declaration of the quarterly, half-yearly and annual financial results, there were not many specific presentations made to any of them during the year 2022-23. Copies of the press-release, as and when issued by the Company, mostly after submission of financial results to the Stock Exchanges, are simultaneously made available to the Stock Exchanges and the transcriptions of conference call held with the analysts / investors following the declaration of financial results are also put up on the company's website.

Management Discussion and Analysis Report

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

Subsidiary companies

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

10. General Shareholder information:

a. Annual General Meeting:

Date & Time	3.00 p.m. on Wednesday, the 28th June, 2023
Venue	Through Video Conference /Other Audio Visual Means

b. Financial Year: 1st April, 2022 to 31st March, 2023

c. Book Closure Dates: From 21st June, 2023 to 28th June, 2023 (both days inclusive)

d. Dividend payment date:

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

e. Listing on Stock Exchanges:

The paid-up share capital of the company as on 31st March, 2023 was ₹26,14,15,096/- consisting of 13,07,07,548 equity shares of ₹2/- each. All these shares have been listed on the National Stock Exchange of India Ltd. Mumbai and BSE Ltd., Mumbai. There are no dues against listing fee payable to these stock exchanges.

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

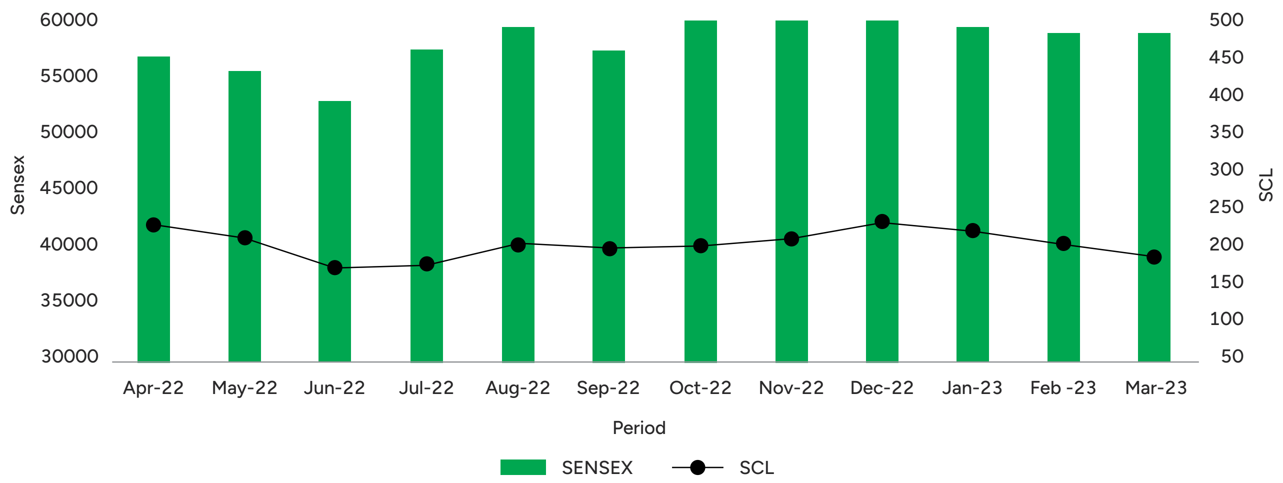
Name of the Stock Exchange	Scrip Code
National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	SAGCEM
BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001	502090
ISIN	INE229C01021

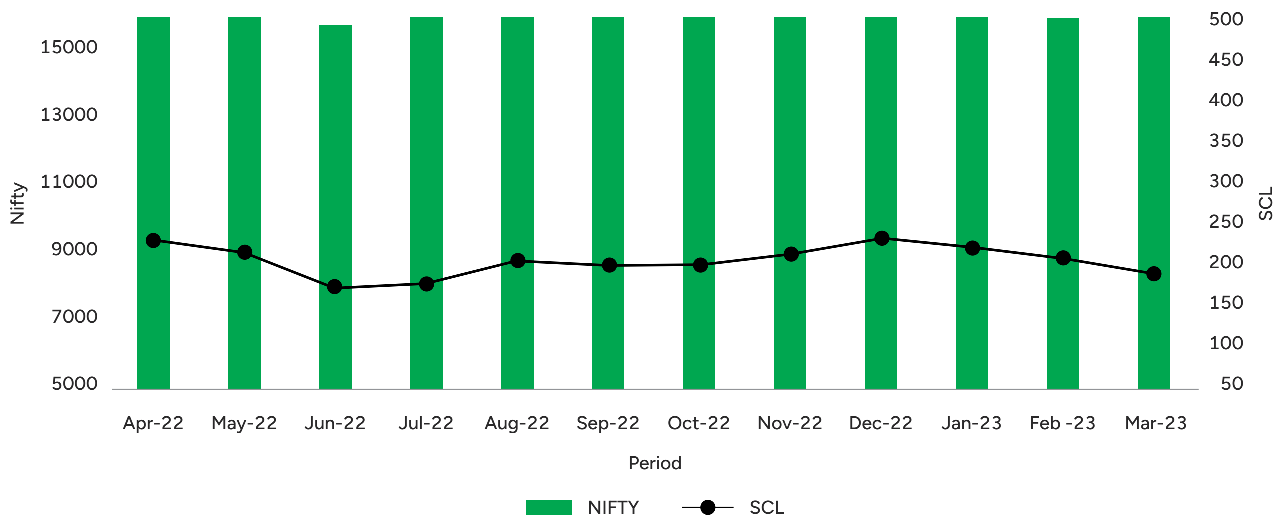
g. Market price details:

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

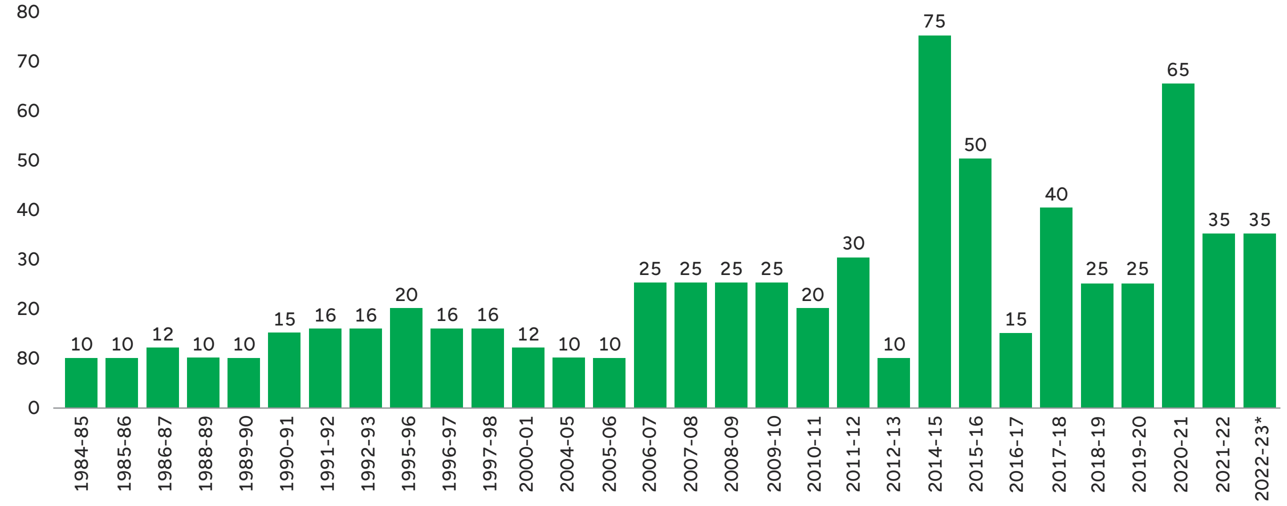
Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April 2022	273.90	230.45	232.00	272.00	230.15	232.15
May 2022	239.70	195.90	215.95	250.00	195.00	214.80
June 2022	222.40	155.15	171.50	221.95	154.00	172.05
July 2022	185.25	164.10	177.20	185.90	164.25	177.35
August 2022	219.00	171.00	206.05	220.00	170.80	205.75
September 2022	232.25	187.05	199.20	232.95	187.55	198.95
October 2022	208.50	182.85	200.60	208.75	181.00	200.70
November 2022	215.95	195.50	213.00	215.95	197.05	212.95
December 2022	267.75	210.05	234.35	267.95	212.00	233.20
January 2023	246.50	203.95	222.25	247.45	204.00	221.80
February 2023	239.95	199.70	205.90	240.00	199.00	206.45
March 2023	215.75	179.70	189.20	215.90	180.00	189.75

The Company's Share Price movements during the year 2022-23 as compared with SENSEX and NIFTY, are depicted below:





h. Dividend History



* Subject to the confirmation /declaration by the shareholders at the ensuing AGM, the Board has recommended a dividend at ₹0.70 per share (35%) for the year 2022-23.

The voting rights on the unclaimed shares outstanding as on 31st March, 2023 shall remain frozen till the rightful owners of such shares claim the shares concerned.

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

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

j. Registrars and Share Transfer Agents:

KFin Technologies Limited

Selenium Building, Tower B, Plot No(s) 31-32, Gachibowli,

Financial District, Nanakramguda, Serilingampally Mandal

Hyderabad -500032

Toll Free No: 1800-3094-001

e-mail: einward.ris@kfintech.com

Website: https://www.kfintech.com

k. Share Transfer System:

Around 99.44% of the shares of the Company are held in electronic form. Transfer of these shares is affected through the depositories with no involvement of the Company.

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

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

I. Shareholdings particulars as on 31st March, 2023

(i) Distribution of shareholdings:

Sl.No	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 50	17679	56.72	343457	0.26
2	51 - 100	4080	13.09	344227	0.26
3	101 - 200	2654	8.51	412752	0.32
4	201 - 300	1417	4.55	363161	0.28
5	301 - 500	3104	9.96	1463724	1.12
6	501 - 1000	1049	3.37	852983	0.65
7	1001 - 5000	930	2.98	2054355	1.57
8	5001 - 10000	119	0.38	875227	0.67
9	10001 - 20000	57	0.18	793093	0.61
10	20001 - 50000	34	0.11	1111196	0.85
11	50001 - 100000	15	0.05	1012378	0.77
12	100001 and above	33	0.11	121080995	92.64
	Total	**31171**	**100.00**	**130707548**	**100.00**

(ii) Shareholding pattern

Description	No. of holders	Shares	% to Total Share Capital	in Demat Form	
				No. of Shares held in Demat Form	% to total shares held
Promoter Group	14	59078010	45.20	59078010	45.45
Domestic Companies	141	31210317	23.88	31197062	24
Mutual Funds	7	10950781	8.38	10944781	8.42
Alternate Investment Funds	3	13959790	10.68	13959790	10.74
Public - Individuals	30080	8345500	6.39	7650740	5.90
Foreign Portfolio Investors	27	5153224	3.94	5153224	3.96
Insurance Companies	0	2480	0	2480	0
Non-Resident Indians	539	804624	0.62	804624	0.62
Clearing Members	21	17616	0.01	17616	0.01
Indian Financial Institutions/Banks	4	19750	0.01	500	0
IEPF	1	956435	0.73	956435	0.74
H U F	329	168534	0.13	168534	0.13
Key Managerial Personnel	2	36987	0.03	36987	0.03
Relatives of Promoters (Other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group')	2	3500	0	3500	0
Total	**31171**	**130707548**	**100**	**129974283**	**100**

Evolution of Share Capital

Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos.	
				From	To
23rd January 1981	Subscribed in the Memorandum of Association	5100	₹10/-	1	5100
28th June 1984	Private Placement (Pre-public issue)	844900	₹10/-	5101	850000
4th September 1984	As above	140000	₹10/-	850001	990000
24th November 1984	As above	330000	₹10/-	990001	1320000
24th November 1984	Through Public Issue	1530000	₹10/-	1320001	2850000
19th December 1990	400 shares were allotted to the shareholders of erstwhile Sagar Laticrete Systems Ltd., as per the Scheme of Amalgamation of the said Company with Sagar Cements Limited	400	₹10/-	2850001	2850400
1st March 1993	The Company had issued FCDs, which were to be converted automatically into 53,01,900 equity shares on 1st March 1993.	5301900	₹20/-	2850401	8152300
9th July 2001	Company allotted these shares on a preferential basis	3000000	₹10/-	8152301	11152300
9th March 2007	Shares allotted against conversion of 550000 warrants earlier allotted to the promoter group on a preferential basis	550000	₹82/-	11152301	11702300
15th March 2007	Shares allotted to India Fund Inc., U.S.A., an FII on a preferential basis	1000000	₹180/-	11702301	12702300
30th July 2007	Shares allotted against conversion of 367432 warrants earlier allotted to the promoter group on a preferential basis	367432	₹82/-	12702301	13069732
25th October 2007	Allotted against conversion of 267568 warrants - to Amareswari Cements Limited	267568	₹82/-	13069733	13337300
10th April 2008	Allotted to the promoter Group against conversion of 665000 warrants	665000	₹82/-	13337301	14002300
6th August 2008	Allotted to M/s.Parficim S.A.S., France - A preferential allotment made at a premium of ₹690/- per share	1000000	₹700/-	14002301	15002300
20th May 2011	Extinguishment of 900000 equity shares held by Amareswari Cements Limited in SCL, pursuant to the Scheme of merger of the ACL with Sagar Cements Limited	-267568 -267568 -364864		11434733 13069733 13637437	11702300 13337300 14002300
12th July 2011	Allotment of shares to the ACL Shareholders under the Scheme of its merger with SCL	3285714	₹10/-	15002301	18288014
7th December, 2016	Allotment of shares to the Promoter Group	**3,05,993**	₹800/-	18288015	18594007
7th December, 2016	Allotment of shares to Non-Promoter Group	**3,05,993**	₹800/-	18594008	18900000
14th February, 2017	Allotment of shares on QIP Basis	**24,00,000**	₹720/-	18900001	21300000
24th July, 2019	Allotment of shares to the Promoter Group against conversion of warrants	**7,75,000**	₹730/-	21300001	22075000
24th July, 2019	Allotment of shares to Non-Promoter Group against conversion of warrants	**7,75,000**	₹730/-	22075001	22850000
27th March, 2020	Allotment of shares to the Promoter Group against conversion of warrants	**3,25,000**	₹730/-	22850001	23175000
20th July, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	**7,75,000**	₹730/-	23175001	23950000
20th July, 2020	Allotment of shares to Non-Promoter Group against conversion of warrants	**4,50,000**	₹730/-	23950001	24400000
	Total	**2,35,00,000**			
18th August, 2021	**Cancellation of 2,35,00,000 equity shares of K10/- each pursuant to splitting in to equity shares of K2/- each**	-2,35,00,000	-	-	-
18th August, 2021	Splitting of 2,35,00,000 equity shares of the face value of ₹10/- each into the face value of ₹2/- each	11,75,00,000	-	1	117500000

Date of allotment	Mode of issue	No. of shares	Issue Price per share	Distinctive Nos.	
				From	To
7th May, 2022	Allotment of shares to Non-Promoter Group	1,32,07,548	₹ 265/-per share	117500001	130707548

m. Dematerialization of Shares and liquidity:

Trading in the shares of the Company needs to be in the electronic form only. The Company has subsisting agreements with both NSDL and CDSL for the purpose. The ISIN number for the company's shares is – INE229C01021. Shares representing more than 99.44% of the share capital were kept in dematerialized form as on 31st March, 2023 as detailed below:

In physical form		In Demat Form				Total	
		With NSDL		With CDSL			
Shares	%	Shares	%	Shares	%	Shares	%
733265	0.56	79640700	60.93	50333583	38.51	130707548	100.00

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

The company has not issued any GDR/ADR.

o. Plants Location:

Cement Plants:

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

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

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

Hydel Power Plants:

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

2. Lock-in-Sula Hydel Project
   Banumukkala Village, Banakacherla Regulator
   Pamulapadu Mandal,
   Kurnool District, A.P.-518 422

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

Karondiya (Vill.)
Post – Jeerabad-454446
The Gandhwani
Dist.Dhar (M.P.)

Plant location of the Subsidiary viz., Andhra Cements Limited

1. Durga Cement Works
   Durgapuram, Srinagar Post
   Dachepalli Mandal, Palnadu District-522 414

2. Parlupalem Village,
   Durganagar Post,
   Visakhapatnam, Andhra Pradesh - 530029.

Plant location of the Subsidiary viz., Jajpur Cements Private Limited

Kalinganagar, Industrial Complex
Tahsil-Dangadi
Dist-Jajpur, Odisha.

p. Address for investors related correspondence:

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

q. Credit Rating and Details of Revision:

Rating Agency	Type of Instrument	Rating as on 31st March, 2022	Rating as on 31st March, 2023
India Ratings and Research Private Limited	Fund-based Working Capital Limits	IND A/ RWE/ IND A1/RWE	IND A Stable IND A1
	Non-Fund based Working Capital Limits	IND A1/RWE	IND A Stable IND A1
	Term Loan	IND A/RWE	IND A Stable
	Non-convertible Debentures (NCDs)	IND A/RWE	IND A Stable

11. Other disclosures

i. Related Party Transactions:

Full disclosures of related party transactions entered into during the year 2022-23 as per the Ind AS 24 issued by Institute of Chartered Accountants of India ("the ICAI") have been given under Note 34 of the Notes to Standalone Financial Statements for the year ended 31st March, 2023. These transactions were entered into by the company in its ordinary course of business and at an arm's length basis. During the year 2022-23, there were no materially significant transactions with Directors, their relatives or the Senior Management or other related entities that may have potential conflict with the interests of the Company at large. The Register of Contracts containing transactions in which Directors are deemed to be interested, is placed before each meeting of the Board. All related party transactions had prior approval of the Audit Committee, which later reviewed and ratified these transactions wherever required.

ii. Statutory compliance, Penalties and Strictures:

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

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

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

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

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

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

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

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

vi. Commodity Price risks and hedging activities:

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

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

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

Further the price of other major raw materials like Coal and Pet Coke which are close to 60% of the cost of production, have a significant impact on the performance of the company since they are primarily driven by the external market forces. To meet the price fluctuations in the price of these commodities, company secures materials in advance to meet around six months of its operational requirement, by optimizing the domestic and import sources through establishment of long term financial instruments.

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

Commodity Name	Exposure INR (₹ in Crores)	Exposure in Qty in (MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke / Coal (Imported)	77.10	54,007	100%	-	100%	-	100%
Pet Coke / Coal (Domestic)	248.36	1,30,279	0%	-	0%	-	0%

vii. Utilization of funds raised through issue of Equity Shares:

A sum of ₹350,00,00,220/- was raised during the year 2022-23 through issue of Equity Shares on a preferential basis has been fully utilized for the purpose for which it was raised.

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

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

x. Fee paid to Statutory Auditors:

A total fee of ₹116 lakhs was paid to the Statutory Auditors towards all services rendered by them to the company and to its subsidiaries viz., Sagar Cements (M) Private Limited, Jajpur Cements Private Limited and Andhra Cements Limited for the year 2022-23.

xi. Disclosure in relation to sexual harassment:

During the year 2022-23, the company did not receive any complaints of sexual harassment in relation to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

xii. The company has not provided any loans and advances in the nature of loans to other firms / companies in which directors are interested other than to its subsidiary companies.

xiii. Details of material subsidiary as on 31st March, 2023

Name	Sagar Cements (M) Private Limited
Date and place of incorporation	Incorporated on 21.03.2001 in the State of Madhya Pradesh
Registered Office	602/A and 602/B, Airen Heights, PU-3, Scheme No.54, Opp.C-21 Mall, A.B.Road, Indore, Madhya Pradesh-452 001
Statutory Auditors	M/s.Deloitte Haskins & Sells, Chartered Accountants were appointed in the AGM held on 27.09.2019 for a period of 5 years

xiv. Reconciliation of Share Capital Audit:

A firm of practicing Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. Their audit report confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares held in demat form with NSDL and CDSL.

xv. The company has adopted a Policy on Determination of Materiality for Disclosures and the said policy has been put up on the website of the Company https://sagarcements.in/wp-content/uploads/2020/08/Scl_Policy-on-Disclosure-of-Material-Events-1.pdf.

xvi. Code of Conduct

The members of the board and senior management personnel have affirmed their compliance during the year ended 31st March, 2023 with the Code applicable to them. A certificate by the CEO and Managing Director to this effect has been given in the annexure to this report.

12. The company has duly complied with the requirements of the Corporate Governance Report of Sub-paras 2 to 10 of Part (C) of Schedule V of the SEBI Listing Regulation.

13. The following discretionary requirements have been adopted pursuant to Part E of Schedule II of SEBI Listing Regulations.

(a) The financial statements of the company are with un-modified opinion.

(b) The Internal Auditors of the company are directly reporting to the Audit Committee.

(c) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director. The Company reimburses the expenses incurred in performance of the Chairman's duties.

14. As on 31st March, 2023, the company was in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations.

15. The compliance certificate from the Company Secretary in practice regarding compliance with conditions of corporate governance has been annexed to the Directors Report.

16. The Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares)

Pursuant to Regulation 39 of the SEBI Listing Regulations, reminder letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on their response, such shares have been transferred to "unclaimed suspense account" as per the provisions of Schedule VI of the SEBI Listing Regulations. The disclosure as required under Schedule V of the SEBI Listing Regulations is given below:

Disclosure with respect to unclaimed shares:

S.No.	Description	No. of Shareholders	Shares
a	Aggregate number of shareholders and the outstanding shares unclaimed at the beginning of the year	3	3500
b	Number of shareholders who approached claiming shares against the above	0	0
c	Number of shareholders to whom shares were transferred against (a) above	-	-
d	Shares transferred to IEPF under Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016	1	500
e	Aggregate number of shareholders and the outstanding unclaimed shares at the end of the year	2	3000

The voting rights on the shares outstanding on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Annexure I

Business Responsibility & Sustainability Report

Section A: General Disclosures

I. Details of the listed entity

Sl. No.	Particulars	
1.	Corporate Identity Number (CIN) of the Listed Entity:	L26942TG1981PLC002887
2.	Name of the Listed Entity	Sagar Cements Limited
3.	Year of incorporation	15.1.1981
4.	Registered office address	Plot No.111, Road No.10 Jubilee Hills, Hyderabad-500 033
5.	Corporate address	Plot No.111, Road No.10 Jubilee Hills, Hyderabad-500 033
6.	E-mail	info@sagarcements.in
7.	Telephone	040 - 23351571
8.	Website	www.sagarcements.in
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	The National Stock Exchange of India Limited BSE Limited
11.	Paid-up Capital	₹ 26,14,15,096/-

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Shri O.Anji Reddy, Chief Sustainability Officer
Sagar Cements Limited, Regd.Office: Plot No.111, Road No.10, Jubilee Hills, Hyderabad-500 033. Telangana
Tel.040 23351571
E-mail: anjireddy@sagarcements.in

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

The disclosures under this report have been made on consolidated basis including Sagar Cements Limited and its subsidiaries Sagar Cements (M) Private Limited, Jajpur Cements Private Limited and Andhra Cements Limited

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture and Sale of Clinker & Cement	Manufacture and Sale of Clinker & Cement	99%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Sale of Cement & Clinker	2394	99%
2.	Sale of Power	2710	1%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	9	11	20
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	10
International (No. of Countries)	NIL

b. What is the contribution of exports as a percentage of the total turnover of the entity?

NIL

c. A brief on types of customers

Dealers, Government departments, Institutional customers and retail customers/end users.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1.	Permanent (D)	936	926	98.93	10	1.07
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	**936**	**926**	**98.93**	**10**	**1.07**
	Workers					
4.	Permanent (F)	104	104	100	0	0
5.	Other than Permanent (G)	1867	1774	95.01	93	4.98
6.	**Total workers (F + G)**	**1971**	**1878**	**95.28**	**93**	**4.71**

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Differently Abled Employees					
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
	Differently Abled Workers					
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	3	33.33
Key Management Personnel	4	NIL	NIL

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.53	0	16.53	14.65	0	14.65	5.16	0	5.16
Permanent Workers	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Andhra Cements Limited	Subsidiary	95%	Yes
2.	Jajpur Cements Private Limited	Wholly-owned Subsidiary	100%	Yes
3.	Sagar Cements (M) Private Limited	Subsidiary	65%	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes)**

(ii) Turnover (in ₹ In Lakhs) 2,22,954

(iii) Net worth (in ₹ In Lakhs) 1,68,893

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders		185	0	-	185	0	NIL
Employees and workers	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Customers	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Value Chain Partners	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Others (please specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
	NIL	NA	NA	NA	NA

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.					NA				
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.					NA				
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.					NA				
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Shri S.Sreekanth Reddy, Joint Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Committee consists of Joint Managing Director as Chairman along with other functional heads								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y					Annually				
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y					Annually				

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P9
					No				

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					Not Applicable				
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	NIL	NIL	NIL
Key Managerial Personnel	NIL	NIL	NIL
Employees other than BoD and KMPs	742	Skill Development and Safety	85.58
Workers	86	Skill Development and Safety	94.51

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	No
Settlement	NIL	NIL	NIL	NIL	No
Compounding fee	NIL	NIL	NIL	NIL	No

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. **Yes.**

   Web link to the policy mentioned below:
   https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: **Nil**

	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

Details of complaints with regard to conflict of interest: Nil

Stakeholder group from whom complaint is received	FY 2023 (Current Financial Year)		FY 2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
NIL	NIL	NIL

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes

   The company has adopted code of conduct for Senior Management and Directors to take care of this.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹ 89 lakhs	₹ 78 lakhs	NIL
Capex	NIL	NIL	NIL

2. a. Does the entity have procedures in place for sustainable sourcing? **(Yes/No)**

   Yes

   Web link to the policy mentioned below:
   https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

   b. If yes, what percentage of inputs were sourced sustainably?

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Yes

   Web link to the policy mentioned below:
   https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link
2394	Cement and Clinker	99%	Mattampally Plant	Yes	Yes sagarcements.in/about/statutory

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. Not Applicable

Name of Product / Service	Description of the risk / concern	Action Taken
	As per LCA	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Fly Ash, Belts, Tyres, Waste Oil	80%	75%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	21 MT	0	0	28MT	0
E-waste	0	0.08MT	0	0	3.48 MT	0
Hazardous waste	23.80 MT	0	0	48.10 MT	0	0
Other waste	58,806 MT	0	0	63,077 MT	0	0

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category. Nil

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1.a. Details of measures for the well-being of employees:

Category	Total (A)	Health insurance Number (B)	Health insurance % (B / A)	Accident insurance Number (C)	Accident insurance % (C / A)	Maternity benefits Number (D)	Maternity benefits % (D / A)	Paternity Benefits Number (E)	Paternity Benefits % (E / A)	Day Care facilities Number (F)	Day Care facilities % (F / A)
		% of employees covered by									
Permanent employees											
Male	926	926	100	926	100	0	0	0	0	0	0
Female	10	10	100	10	100	0	0	0	0	0	0
Total	**936**	**936**	**100**	**936**	**100**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	Total (A)	Health insurance Number (B)	Health insurance % (B / A)	Accident insurance Number (C)	Accident insurance % (C / A)	Maternity benefits Number (F)	Maternity benefits % (F / A)	Paternity Benefits Number (E)	Paternity Benefits % (E / A)	Day Care facilities Number (F)	Day Care facilities % (F / A)
		% of workers covered by									
Permanent employees											
Male	104	104	100	104	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**104**	**104**	**100**	**104**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other than Permanent employees											
Male	1774	48	2.71	1774	391	22.04	0	0	0	0	0
Female	93	0	0	93	0	0	0	0	0	0	0
Total	**1867**	**48**	**2.57**	**1867**	**391**	**20.94**	**0**	**0**	**0**	**0**	**0**

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023 (Current Financial Year) No. of employees covered as a % of total employees	FY 2023 No. of workers covered as a % of total workers	FY 2023 Deducted and deposited with\ the authority (Y/N/N.A.)	FY 2022 (Previous Financial Year) No. of employees covered as a % of total employees	FY 2022 No. of workers covered as a % of total workers	FY 2022 Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	Yes
ESI	0.07	0.05	Yes	0.09	0.08	Yes
Others – please specify	NIL	NIL	NIL	NIL	NIL	NIL

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. **Yes**

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. **Yes.**

Web link to the policy mentioned below:
https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees Return to work rate	Permanent employees Retention rate	Permanent employees Return to work rate	Permanent employees Retention rate
Male	6	0.57	0	0
Female	0	0	0	0
Total	**6**	**0.57**	**0**	**0**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes.
Other than Permanent Workers	Through one to one interactions and conducting group meetings.
Permanent Employees	
Other than Permanent Employees	Web link to the policy mentioned below: https://sagarcements.in/wp-content/uploads/2020/08/Sagar-Cement_Policies-1.pdf

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year) Total employees/ workers in respective category (A)	FY 2022-23 No. of employees / workers in respective category, who are part of association(s) or Union (B)	FY 2022-23 % (B / A)	FY 2021-22 (Previous Financial Year) Total employees/ workers in respective category (C)	FY 2021-22 No. of employees / workers in respective category, who are part of association(s) or Union (D)	FY 2021-22 % (D /C)
Total Permanent Employees	936	0	0		0	0
- Male	926	0	NIL	631	0	0
- Female	10	0	NIL	8	0	0
Total Permanent Workers	104	0	0	107	0	0
Male	104		NI	107	0	0
Female	0	0	NI	0	0	0

8. Details of training given to employees and workers

Category	FY 2022-23 Current Financial Year Total (A)	On Health and safety measures No. (B)	On Health and safety measures % (B / A	On Skill upgradation No. (C)	On Skill upgradation % (C / A)	FY 2021-22 Previous Financial Year Total (D)	On Health and safety measures No. (E)	On Health and safety measures % (E / D)	On Skill upgradation No. (F)	On Skill upgradation % (F / D)
Employees										
Male	926	626	67	654	70	631	473	75		
Female	10	0	0	10	100	8	0	0		
Total	**936**	**624**	**66.66**	**664**	**70.94**	**639**	**473**	**74**		
Workers										
Male	104	104	100	104	100	107	107	100		
Female	0	0	0	0	0	0	0	0		
Total	**104**	**104**	**104**	**104**	**104**	**107**	**107**	**100**		

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year Total (A)	No. (B)	% (B / A)	FY 2021-22 Previous Financial Year Total (C)	No. (D)	% (D / C)
Employees						
Male	926	845	91.25	631	570	90
Female	10	10	100	8	3	3.75
Total	**936**	**855**	**91.34**	**639**	**573**	**89.67**
Workers						
Male	104	104	100	107	107	100
Female	0	0	0	0	0	0
Total	**104**	**104**	**100**	**107**	**107**	**100**

10. Health and safety management system:
    a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No).** If yes, the coverage such system? **Yes. Total work force covered.**
    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? **Regular safety drills are being conducted.**
    c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) **Yes**
    d. Do the employee/workers of the entity have access to non-occupational medical and health care services? **(Yes/No) Yes**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1.6	0
Total recordable work-related injuries	Employees	2	2
	Workers	22	27
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.
    a) Safety trainings are being conducted at regular intervals.
    b) PPE is made available for the work force at all point of time.
    c) Preventive health checkup is being conducted on annual basis.
    d) Purified drinking water is made available at work place.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023 (Current Financial Year)			FY 2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	% of value chain partners (by value of business done with such partners), that were assessed
Health and safety practices	NIL
Working Conditions	NIL

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. **Nil**

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

   Yes Group Insurance Cover

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   Verification of records done at regular intervals for all value chain partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes/ No)**

   No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners), that were assessed
Health and safety practices	NIL
Working Conditions	NIL

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   Annual Health check-up is conducted for all the employees and workers and based on the outcome, necessary support is provided to address the same.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.
2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
NIL	NIL	NIL	NIL	NIL

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (B)	% (D / C)
Employees						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Employees	0	0	0	0	0	0
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	0	0	0	0	0	0

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B /A)	No.(C)	% (C /A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	926	0	0	926	100	631	0	0	631	100
Female	10	0	0	10	100	8	0	0	8	100
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	104	0	0	104	100	107	0	0	107	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	1774	1064	59.97	710	40.00	1320	640	48	680	51
Female	93	93	100	0	0	4	4	100	0	0

3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)		Non-Executive Directors are not paid any remuneration, other than sitting fee		Non-Executive Directors are not paid any remuneration, other than sitting fee
Key Managerial Personnel				
Employees other than BoD and KMP		₹99.34 crores		
Workers				

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No) Yes.**

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Workmen Grievance Redressal Committee

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	
Discrimination at workplace	0	0	0	0	0	
Child Labour	0	0	0	0	0	
Forced Labour/Involuntary Labour	0	0	0	0	0	
Wages	0	0	0	0	0	
Other human rights related issues	0	0	0	0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   Workmen Grievance Redressal Committee addresses the complaints, if any, on case to case basis.

8. Do human rights requirements form part of your business agreements and contracts?

   (Yes/No). Yes

9. Assessments for the year: **NIL**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at work place	Nil
Wage	Nil
Others – please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. **Not Applicable**

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.
2. Details of the scope and coverage of any Human rights due-diligence conducted.
3. Is the premises/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
4. Details on assessment of value chain partners: **NIL**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at work place	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	3,68,242 MWh 317 TJ	2,81,366 MWh 242 TJ
Total fuel consumption (B)	13368 TJ	11052 TJ
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	13685 TJ	11294 TJ
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.62 TJ / Million Rupees	0.71 TJ / Million Rupees
Energy intensity (optional) – the relevant metric may be selected by the entity	725.73 Kcal/Kg of Clinker	728.44 Kcal/Kg of Clinker

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes. Assured by the TUV India Private Limited (External Agency).**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **Yes.**

   Designated consumers under PAT Scheme of Government of India:

   1. Mattampally plant - Target well below 0.0914 TOE / Ton of Product, Achieved 0.0898 TOE / Ton of Product
   2. Gudipadu Plant - Target well below 0.1241 TOE / Ton of Product, Achieved 0.1124 TOE / Ton of Product
   3. Bayyavaram - Comes under PAT scheme, Target not yet set by PAT scheme of GOI

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,03,850 KL	1,73,781 KL
(ii) Ground water	2,44,441 KL	1,61,441 KL
(iii) Third party water	Nil	Nil
(iv) Sea water / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	4,48,291	3,35,221
Total volume of water consumption (in kilolitres)	4,48,291	3,35,221
Water intensity per rupee of turnover (Water consumed / turnover)	20.15 KL / Million Rupees	15.07 KL / Million Rupees
Water intensity (optional) – the relevant metric may be selected by the entity	112 Liters / Ton of Cementitious	110 Liters / Ton of Cementitious

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - **Yes. Assured by the TUV (External Agency).**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **No**

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Metric Tonnes	3,356	2,638
SOx	Metric Tonnes	500	393
Particulate matter (PM)		NA	NA
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)	Metric Tonnes	0	0
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

6. Provide details of green house gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	30,99,944	24,39,571
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,17,447	46,452
Total Scope 1 and Scope 2 emissions per rupee of turnover	Ton of Co2 / Million Rupees	144.64	156.03
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Kg Co2 for Ton of cementitious	680.03	676.84

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- **Yes. Assured by the TUV India Private Limited (External Agency).**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- **Yes**, details as mentioned below.

   1) Planned to install 4MW solar plant at Sagar Cements Mattampally unit, and Expected generation up to 60,000,00 units of electrical energy / Year, Estimated annual CO_2e savings (metric tonnes CO_2e) is 6768 Tonnes
   2) Planned to install 8MW solar plant at Sagar Cements Gudipadu unit, and Expected generation up to 120,000,00 units of electrical energy / Year. Estimated annual CO_2e savings (metric tonnes CO_2e) is 9867 Tonnes
   3) Planned to install 2MW solar plant at Sagar Cements Jeerabad unit, and Expected generation up to 30,000,00 units of electrical energy / Year, Estimated annual CO_2e savings (metric tonnes CO_2e) is 2467 Tonnes
   4) Planned to install 4MW WHRS plant at Sagar Cements Gudipadu unit, and Expected generation up to 250,000,00 units of electrical energy / Year, Estimated annual CO_2e savings (metric tonnes CO_2e) is 20556 Tonnes
   5) Biofuel plant work under progress as a pilot project at Gudipadu plant.
   6) Biomass plant work under progress as a pilot project at Mattampally plant.
   7) Two numbers of EV procured for Bayyavaram plant.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Plastic waste **(A)**	21	28
E-waste **(B)**	0.08	3.48
Bio-medical waste **(C)**	0.03	0.11
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	2.35	2.80
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**	23.80	48.10
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	58,806	63,077
Total (A+B+C+D+E+F+G+H)	**58,851**	**63,156**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	58,851	63,156
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**58,851**	**63,156**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **Yes. Assured by the TUV India Private Limited (External Agency).**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

1. Chemical effluents such as lubrication's re-used as alternative fuels
2. Softener water reject being used as process water for cement process
3. Power plant reject water after neutralization, being used for gardening after blending with harvested water
4. Power plant blow down water being used as make up water for cooling tower

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NIL	NIL	NIL

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Increase of Lime Stone Production	J-11015/53/2003-IA.II(M)	13.06.2022	YES	YES	

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	NA	NIL	0	NIL

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	67,236 MWh 14 TJ	55,008 MWh 11 TJ
Total fuel consumption (B)	358 TJ	315 TJ
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	372 TJ	326 TJ
From non-renewable sources		
Total electricity consumption (D)	3,01,006 MWh 62 TJ	2,26,357 MWh 46 TJ
Total fuel consumption (E)	13,010 TJ	10,737 TJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	13,072 TJ	10,784 TJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Ground water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Sea water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,03,850	1,73,781
(ii) Ground water	2,44,441	1,61,441
(iii) Third party water	0	0
(iv) Sea water / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	4,48,291	3,35,221
Total volume of water consumption (in kilolitres)	4,48,291	3,35,221
Water intensity per rupee of turnover (Water consumed / turnover)	20.15 KL / Million Rupees	15.07 KL / Million Rupees
Water intensity (optional) –the relevant metric may be selected by the entity	112 Liters / Ton of Cementitious	110 Liters / Ton of Cementitious
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Ground water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Sea water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	0	0
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	0	0
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **Yes. Assured by the TUV India Private Limited (External Agency).**

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	20.24	21.36
Total Scope 3 emissions per rupee of turnover	T Co2 / Million Rupees	4.31	3.53
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	kg CO2/t cementitious	700.28	698.20

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **Yes. Assured by the TUV India Private Limited (External Agency).**

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   Environmental Impact Assessment - document Enclose

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Chemical effluents such as lubrication's re-used as alternative fuels	Not Applicable	Under observation
2	Softner water reject being used as process water for cement process	Not Applicable	Under observation
3	Power plant reject water after neutralization, being used for gardening after blending with harvested water	Not Applicable	Under observation
4	Power plant blow down water being used as make up water for cooling tower	Not Applicable	Under observation

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. **- Risk register and mitigation plan.**

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   Submitted commitment to **SBTi (Science Based Targets initiative)** to reduce emissions to align with SBTi emission reduction targets, details target development is in process.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. - **Nil**

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Cement Manufacturers Association (CMA)	National
2	National Council for Cement and Building Materials (NCCBM)	National
3	Confederation of Indian Industries (CII)	National
4	Federation of Indian Chambers of Commerce and Industries (FICCI)	National
5	South India Cement Manufacturers Association (SICMA)	South Indian States

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	NIL	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. **NA**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Web Link, if available
Nil	Nil	Nil	Nil	Nil

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **NA**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)

3. Describe the mechanisms to receive and redress grievances of the community. NIL

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Directly sourced from MSMEs/ small producers	17	8
Sourced directly from within the district and neighbouring districts	30	25

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Telangana and Andhra Pradesh	Suryapet, Nalgonda Visakhapatnam and Ananthapur	3,06,04,197

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   No

   (b) From which marginalized /vulnerable groups do you procure? **NA**

   (c) What percentage of total procurement (by value) does it constitute? **NA**

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

   NIL

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Nil	Nil	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
	NA	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	Preventive Health Care, Safe drinking water, Training and education, Promotion of Sports and Rural development.	69,629	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Complaints, if any, are being routed through local sales officers/e-mails and it is being addressed promptly to customers satisfaction

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: **NIL**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Others	NIL	NIL	NA	NIL	NIL	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

   Yes

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. **NA**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). www.sagarcements.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   By Conducting technical sessions and mason meets at regular intervals.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   Through Emails and one to one meeting.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? **(Yes/No)**

   No

5. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact: **NIL**

   b. Percentage of data breaches involving personally identifiable information of customers: **NIL**

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Sagar Cements Limited,

Plot No.111, Road No.10, Jubilee Hills,

Hyderabad, Telangana – 500033.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sagar Cements Limited** having CIN: L26942TG1981PLC002887 and having registered office at Plot No.111, Road No.10, Jubilee Hills, Hyderabad, Telangana - 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2023hasbeen debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01	Anand Reddy Sammidi	00123870	21/11/2007
02	Sreekanth Reddy Sammidi	00123889	26/06/2008
03	John Eric Bertrand	06391176	17/10/2012
04	Rachana Sammidi	01590516	18/03/2015
05	Jens Van Nieuwenborgh (Alternate Director to John Eric Bertrand)	07638244	20/11/2018
06	Rekha Onteddu	07938776	30/06/2020
07	Sudha Rani Naga	09032212	20/01/2021
08	Madhavan Ganesan	01674529	11/05/2022
09	Kalidindi Venkata Vishnu Raju	00480361	20/07/2022
10	Rajagopal Ravichandran	00110930	27/03/2023
11	Kolappa Thanu Pillai*	00123920	30/01/2012
12	Valliyur Hariharan**	00143948	23/09/2015

* Ceased w.e.f.24/09/2022

** Ceased w.e.f.30/03/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: -A022119E000281301
Peer review No: 726/2020

Date: May 10, 2023
Place: Hyderabad

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the company's website.

I confirm that the company has in respect of the year ended March 31, 2023, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice President and above cadre and the Company Secretary as on March 31, 2023.

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

Place: Hyderabad
Date : May 10, 2023

Certificate on Corporate Governance

To,

The Members,

Sagar Cements Limited,

Plot No.111, Road No.10, Jubilee Hills,

Hyderabad, Telangana – 500033.

1. We have examined the compliance of the conditions of Corporate Governance by Sagar Cements Limited (the 'Company') for the financial year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations').

Management's responsibility

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our responsibility

3. Pursuant to the requirements of the SEBI Listing Regulations, our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company and express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 1 above.

Opinion

4. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the SEBI Listing Regulations, as applicable for the financial year ended on March 31, 2023, except the following:

   (a) Composition of Audit Committee was not in compliance from during the period from 23.09.2022 – 05.11.2022 as required under Reg. 18(1)(b) of SEBI Listing Regulations; and

   (b) Composition of Nomination and Remuneration Committee was not in compliance from during the period from 23.09.2022 – 05.11.2022 as required under Reg. 19(1)(c) of SEBI Listing Regulations.

Other matters and restriction on use

5. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

6. This report is addressed to and provided to the members of the Company solely for the purpose of enabling to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

for **B S S & Associates**
Company Secretaries

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: -A022119E000281213
Peer review No: 726/2020

Date: May 10, 2023
Place: Hyderabad

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, 2023, 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 (hereinafter referred to as the "standalone financial statements").

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, 2023, 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition – Refer Note 20 of the Standalone financial statements**:	**Principal audit procedures performed –**
	Revenue from sale made to trade customers/dealers is recorded at the time of dispatch made from plant or godown location based on sales orders raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/ dealers are obtained on dispatch of goods. Given the volume of such sales orders which are in the form of oral/email requests received from the sales officers basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgment on dispatch.	• Evaluated the appropriateness of the Company's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). • Obtained an understanding of the management's process and evaluated the design, implementation and operating effectiveness of the Company's key internal financial control over the revenue recognition process. We carried out combination of procedures involving inquiry and inspection of evidence in respect of operating effectiveness of these controls. We understood the process and controls around sale order creation in the IT system of the Company and tested the general IT controls and manual controls over the Company's system which record the sales order in the system. • Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, acknowledgement on delivery receipts/invoice copy. • Compared the sales made to trade customers with historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures, 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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 its knowledge and belief, other than as disclosed in the note 6(ii) 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 its knowledge and belief, as disclosed in the note 48(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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
UDIN: 23213649BGVBYG2742

Place: Hyderabad
Date: May 10, 2023

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **SAGAR CEMENTS LIMITED** ("the Company") as of March 31, 2023 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
UDIN: 23213649BGVBYG2742

Place: Hyderabad
Date: May 10, 2023

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 program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sales deed/transfer deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress, are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans, guarantees etc., are held in the name of the Company based on the confirmations directly received by us from lenders/custodian.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

(ii) (a) The inventories (except for goods-in-transit, which have been received subsequent to year-end), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at 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 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 investments in, provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

(₹ Lakhs)

Particulars	Investment	Loans	Guarantees	Security
Aggregate amount granted / provided during the year:				
- Subsidiaries	32,223	5,517		8,056
- Others		348		
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	60,696	6,930	57,000	16,844
- Others		101		

The Company has not provided any advances in the nature of loans to any 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 advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable

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

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, 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, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

Annexure B to the Independent Auditor's Report

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the Statue	Nature of dispute	Amount unpaid	Amount paid under protest	Period to which the amount relates	Forum where Dispute is pending
Central Excise Act, 1944	Excise Duty	280	46	2011-12 to 2012-13	Customs Excise & Service Tax Appellate Tribunal
		144	-	2010-11, 2015-16 and 2016-17	Commissioner of Appeals
		139	-	2015-16 and 2016-17	Assistant Commissioner, Tirupathi
Sales Tax and VAT laws	Sales Tax and VAT	15	5	1999-2000	Sales Tax Appellate Tribunal
		243	52	2008-09 to 2010-11 and 2017-18 to 2018-19	High Court of Telangana and Andhra Pradesh
Customs Act, 1962	Customs Duty	189	4	2012-13	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	28	-	2008-09 to 2009-10	Income Tax Appellate Tribunal
		1,739	136	2011-12	Commissioner of Income Tax (Appeals)
		896	252	2015-16 to 2016-17	
Local Areas Act, 2001	Entry Tax	94	33	2012-13 to 2017-18	High Court of Telangana and Andhra Pradesh
Central Goods & Service Tax, 2017	GST	7	-	2017-18 and 2021-22	Joint / Additional Commissioner of Central Tax

(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) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up-to the date of this report)

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

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

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up-to December 2022 and the final internal audit report were issued after the balance sheet date covering the period January 2023 to March 2023 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)

C Manish Muralidhar
(Partner)
(Membership No. 213649)
UDIN: 23213649BGVBYG2742

Place: Hyderabad
Date: May 10, 2023

Standalone Balance Sheet

as at March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	1,16,561	1,19,588
(b) Capital work-in-progress	42	6,755	2,936
(c) Goodwill		3,873	3,873
(d) Intangible assets			
(i) Mining rights	3	2,018	2,186
(ii) Other intangible assets	3	27	32
(e) Right of use assets	4	165	292
(f) Financial assets			
(i) Investments	5	60,696	28,473
(ii) Loans	6	6,983	51,413
(iii) Other financial assets	7	1,857	1,574
(g) Income tax assets (net)	28	435	463
(h) Other non-current assets	8	1,181	2,860
Total Non-current assets		**2,00,551**	**2,13,690**
Current assets			
(a) Inventories	9	21,399	17,372
(b) Financial assets			
(i) Trade receivables	10	15,261	12,411
(ii) Cash and cash equivalents	11	12,102	14,047
(iii) Bank balances other than cash and cash equivalents	12	1,919	1,622
(iv) Loans	6	48	-
(v) Other financial assets	7	1,213	2,278
(c) Other current assets	8	6,332	8,109
Total Current assets		**58,274**	**55,839**
TOTAL ASSETS		**2,58,825**	**2,69,529**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,614	2,350
(b) Other equity	14	1,64,105	1,27,061
Total Equity		**1,66,719**	**1,29,411**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	15,020	58,916
(ia) Lease liabilities	35	44	166
(ii) Other financial liabilities	16	8,086	6,806
(b) Provisions	17	826	728
(c) Deferred tax liabilities (net)	28	10,825	9,769
(d) Other non-current liabilities	19	229	229
Total Non-current liabilities		**35,030**	**76,614**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	24,311	30,164
(ia) Lease liabilities	35	153	154
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		160	60
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		23,289	19,153
(iii) Other financial liabilities	16	879	1,663
(b) Provisions	17	358	301
(c) Income tax liabilities (net)	28	1,129	1,275
(d) Other current liabilities	19	6,797	10,734
Total Current liabilities		**57,076**	**63,504**
Total Liabilities		**92,106**	**1,40,118**
TOTAL EQUITY AND LIABILITIES		**2,58,825**	**2,69,529**
Corporate information and significant accounting policies	1		
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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	20	1,91,040	1,56,786
II	Other income	21	7,968	2,691
III	**Total Income (I + II)**		**1,99,008**	**1,59,477**
IV	**Expenses**			
	(a) Cost of materials consumed	22	31,486	25,556
	(b) Purchases of stock-in-trade	23A	2,437	2,017
	(c) Changes in inventories of finished goods and work-in-progress	23B	2,259	(3,447)
	(d) Employee benefits expense	24	8,304	8,101
	(e) Finance costs	25	10,433	6,934
	(f) Depreciation and amortisation expense	26	8,490	8,035
	(g) Power and fuel expenses		74,390	48,352
	(h) Freight and forwarding expense		32,716	27,253
	(i) Other expenses	27	22,145	20,345
	Total Expenses		**1,92,660**	**1,43,146**
V	**Profit before tax (III - IV)**		6,348	16,331
VI	**Tax expense**			
	(a) Current tax	28	2,654	3,056
	(b) Deferred tax	28	(228)	2,897
	Total Tax expense		**2,426**	**5,953**
VII	**Profit after tax (V - VI)**		3,922	10,378
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain on defined benefits plan	33	20	195
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(7)	(68)
	Other comprehensive income for the year, net of tax		**13**	**127**
IX	**Total comprehensive income (VII + VIII)**		**3,935**	**10,505**
X	Earnings per equity share (Face value of ₹ 2 each fully paid (March 31, 2022: ₹ 2 each fully paid))			
	Basic and Diluted	36	3.03	8.83
	Corporate information and significant accounting policies	1		
	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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance as at March 31, 2021	2,350
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**2,350**
Changes in equity share capital during the year (Refer note 41)	264
Balance as at March 31, 2023	**2,614**

B. Other equity

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other equity
	Capital reserve	Securities premium account	General reserve	Retained earnings		
Balance as at March 31, 2021	35	54,327	3,598	59,398	(214)	1,17,144
Profit for the year	-	-	-	10,378	-	10,378
Dividend on equity shares (Refer Note 39)	-	-	-	(588)	-	(588)
Other comprehensive income for the year (net of tax ₹ 68)	-	-	-	-	127	127
Balance as at March 31, 2022	35	54,327	3,598	69,188	(87)	1,27,061
Profit for the year	-	-	-	3,922	-	3,922
Dividend on equity shares (Refer Note 39)	-	-	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 7)	-	-	-	-	13	13
Premium on allotment of equity shares (Refer note 41)	-	34,736	-	-	-	34,736
Expenses on issue of shares	-	(712)	-	-	-	(712)
Balance as at March 31, 2023	35	88,351	3,598	72,195	(74)	1,64,105

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A	**Cash Flow From Operating Activities**				
	Profit before tax		6,348		16,331
	Adjustments for				
	Depreciation and amortisation expense	8,490		8,035	
	Finance costs	10,433		6,934	
	Interest income	(7,901)		(2,531)	
	Liabilities no longer required written back	(12)		(81)	
	Expected credit loss allowance on trade receivables	293		202	
	Provision for incentives receivable from government	900		775	
	Provision for capital advances	400		-	
	Net loss on fair value change in financial instruments	-		6	
	(Profit)/ loss on sale of property, plant and equipment (net)	(34)		38	
			12,569		13,378
	Operating profit before working capital changes		18,917		29,709
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets:				
	Trade receivables	(3,142)		(2,540)	
	Inventories	(4,027)		(4,944)	
	Other financial assets	(304)		131	
	Other assets	781		(3,358)	
			(6,692)		(10,711)
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	4,248		(3,496)	
	Other financial liabilities	1,484		358	
	Provisions	175		174	
	Other liabilities	(3,937)		2,348	
			1,970		(616)
	Cash generated from operating activities		14,195		18,382
	Less: Income tax paid		(1,495)		(2,958)
	Net cash generated from operating activities		12,700		15,424
B	**Cash Flow From Investing Activities**				
	Capital expenditure on property, plant and equipment including capital advances	(7,415)		(11,250)	
	Deposits not considered as cash and cash equivalents				
	- Placed	(2,065)		(1,199)	
	- Matured	1,913		464	
	Proceeds from sale of property, plant and equipment	68		487	
	Investments in subsidiaries during the year	-		(4,524)	
	Acquisition of subsidiary (Refer note 5)	(32,223)		-	
	Unsecured loans given to subsidiaries (net)	44,483		(48,913)	
	Interest received	8,729		615	
	Net cash generated from/ (used) in investing activities		13,490		(64,320)
C	**Cash Flow From Financing Activities**				
	Proceeds from allotment of equity shares (Refer Note 41)	35,000		-	
	Expenses on issue of shares	(712)		-	
	Proceeds from non-current borrowings	5,412		53,823	
	Repayment of non-current borrowings	(58,305)		(7,446)	
	Loans to employees	(101)		-	
	Repayment of unsecured loans from related party	-		(900)	
	Proceeds from current borrowings (net)	3,144		2,748	
	Repayment of lease liabilities	(155)		(161)	
	Finance costs	(11,503)		(5,971)	
	Dividends paid	(915)		(588)	
	Net cash (used in)/ generated from financing activities		(28,135)		41,505

Standalone Statement of Cash Flows

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net decrease in cash and cash equivalents (A+B+C)	(1,945)	(7,391)
Cash and cash equivalents at the beginning of the year	14,047	21,438
Cash and cash equivalents at the end of the year (Refer Note 11)	12,102	14,047
Note:		
Cash and cash equivalents comprises of:		
Cash in hand	2	2
Balances with banks	100	1,545
Deposits with banks	12,000	12,500
Cash and cash equivalents (Refer Note 11)	12,102	14,047

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2022	Cash flow changes		Non-cash flow changes	As at March 31, 2023
		Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	76,115	5,412	(58,305)	-	23,222
Loan from related party and others	193	-	-	-	193
Current borrowings	12,965	3,144	-	-	16,109
Total liabilities from financing activities	**89,273**	**8,556**	**(58,305)**	**-**	**39,524**

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

Reconciliation of lease liability:

Particulars	As at April 01, 2022	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2023
Lease liabilities	320	17	15	(155)	197

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

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

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

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 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 utilization 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 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 at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

If 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 recognizes when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from service contracts with customers is recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power:

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

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

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

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

Depreciation on plant and machinery, railway siding is charged under straight line method and on other assets depreciation is charged under diminishing balance method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Railway siding	25 years
Plant and machinery other than continuous process plant	3 - 25 years
Electrical installations	15 years and 25 years

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

The Company follows the process of componentization for property, plant and equipment. Accordingly, the Company has identified a part of an asset as a separate component in whole asset value (beyond

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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, if any. Amortisation is recognised on a diminishing balance method over their estimated useful lives for software and mining rights is charged under straight line method over the period of the respective mining agreement. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

xiv) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs 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 amortized cost:** A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments other than investment in equity instruments of subsidiaries to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration 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 amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

(C) De-recognition of financial assets and liabilities:

a. Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been 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 derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability 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 recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be 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 judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially 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 amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

b) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

c) Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2023	As at March 31, 2022
Land - freehold	9,803	9,787
Land - restoration	138	149
Buildings	18,712	19,058
Plant and machinery	76,502	78,572
Furniture and fittings	100	121
Office and other equipment	1,768	1,798
Electrical installations	4,286	4,491
Computers	75	81
Vehicles	355	460
Railway siding	4,822	5,071
Total	**1,16,561**	**1,19,588**

For the year 2022-23

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block											
Opening Balance	9,787	229	32,151	1,21,149	917	5,605	13,571	554	1,434	6,684	1,92,081
Add: Additions	24	-	1,441	2,528	7	380	719	37	44	-	5,180
Less: Disposals	8	-	-	7	-	74	18	-	41	-	148
Balance as at March 31, 2023	9,803	229	33,592	1,23,670	924	5,911	14,272	591	1,437	6,684	1,97,113
II. Accumulated depreciation											
Opening Balance	-	80	13,093	42,577	796	3,807	9,080	473	974	1,613	72,493
Add: Depreciation expense	-	11	1,787	4,594	28	400	916	43	145	249	8,173
Less: Eliminated on disposal of assets	-	-	-	3	-	64	10	-	37	-	114
Balance as at March 31, 2023	-	91	14,880	47,168	824	4,143	9,986	516	1,082	1,862	80,552
Net block (I-II)											
Carrying value as at March 31, 2023	9,803	138	18,712	76,502	100	1,768	4,286	75	355	4,822	1,16,561
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

All amounts are in ₹ Lakhs unless otherwise stated

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

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 1,16,068 (March 31, 2022: ₹ 1,18,979) 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 ₹ 355 (March 31, 2022: ₹ 460) 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.

All amounts are in ₹ Lakhs unless otherwise stated

3. Intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
Mining rights	2,018	2,186
Other intangible assets	27	32
Total	**2,045**	**2,218**

For the year 2022-23

Particulars	Mining rights	Other intangible assets	Total
Gross Block			
Opening Balance	3,276	422	3,698
Add: Additions	-	-	-
Less: Disposals	-	-	-
Balance as at March 31, 2023	3,276	422	3,698
II. Accumulated amortisation			
Opening Balance	1,090	390	1,480
Add: Amortisation expense	168	5	173
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2023	1,258	395	1,653
Net block (I-II)			
Carrying value as at March 31, 2023	2,018	27	2,045
Carrying value as at March 31, 2022	2,186	32	2,218

For the year 2021-22

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

Note: The Company has not revalued its intangible assets.

4. Right of use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Buildings	165	292
Total	**165**	**292**

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		As at March 31, 2023	As at March 31, 2022
I.	**Gross block**		
	Opening Balance	729	341
	Add: Additions	17	388
	Less: Deletion	309	-
	Closing Balance	437	729
II.	**Accumulated depreciation**		
	Opening Balance	437	282
	Add: Depreciation expense	144	155
	Less: Eliminated on disposal of leases	309	-
	Closing Balance	272	437
	Net block (I-II)		
	Carrying Value	165	292

Note: Refer Note 35 on operating lease.

5 Investments in subsidiaries (measured at cost)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Investments in equity instruments (Unquoted)				
Face Value of ₹ 10 each fully paid:				
Jajpur Cements Private Limited (100%, (March 31, 2022: 100%) shareholding) (Refer Note (i) below)	10,76,80,000	11,054	10,76,80,000	11,054
Sagar Cements (M) Private Limited (65%, (March 31, 2022: 65%) shareholding) (Refer Note (ii) below)	32,73,773	17,419	32,73,773	17,419
Andhra Cements Limited (95%, (March 31, 2022: Nil) shareholding) (Refer Note 43)	8,75,63,533	32,223	-	-
		60,696		28,473
Aggregate amount of unquoted investments		60,696		28,473

Notes:

(i) Includes investment of ₹ 254 (March 31, 2022: ₹ 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, 2022: ₹ 470) on account of fair valuation of corporate guarantee given by the company on behalf of Sagar Cements (M) Private Limited, a subsidiary Company.

(iii) The Company has complied with number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

(iv) 15,10,972 (as at March 31, 2022: 15,10,972) number of shares held as investments in Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) with carrying amount of ₹ 7,823 (as at March 31, 2022: ₹ 7,823), 96,54,000 (as at March 31, 2022: 96,54,000) number of shares held as investments in Jajpur Cements Private Limited with carrying amount of ₹ 965 (as at March 31, 2022: ₹ 965) and 2,18,90,883 (as at March 31, 2022: Nil) number of shares held as investments in Andhra Cements Limited with carrying amount of ₹ 8,056 (as at March 31, 2022: Nil) have been pledged with the lenders towards borrowings availed by respective subsidiaries.

All amounts are in ₹ Lakhs unless otherwise stated

6. Loans (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to Subsidiary Companies (Refer Note 32 and 34)	6,930	51,413
Loans to employees	53	-
Total	**6,983**	**51,413**
Current		
Loans to employees	48	-
Total	**48**	**-**
Total loans	**7,031**	**51,413**

Note: (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 ₹ 3,517 (as at March 31, 2022: ₹ 46,483). JCPL has subscribed to debentures issued by Pridhvi Asset Reconstruction and Securitisation Company Limited amounting to ₹ 1,241 (as at March 31, 2022: ₹ 42,960). During the financial year ended March 31, 2023, JCPL has repaid the total loan outstanding.

7. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	1,491	1,063
Balances held as margin money deposit against borrowings	366	511
Total	**1,857**	**1,574**
Current		
Security deposits	226	267
Advances to employees	33	116
Interest accrued but not due (Refer Note below)	954	1,895
Total	**1,213**	**2,278**
Total other financial assets	**3,070**	**3,852**

Note: Includes ₹ 867 (As at March 31, 2022: ₹ 1,835) related party. Also refer note 34.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

8 Other assets (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured considered good	658	2,434
Considered doubtful	400	-
Less: Provision for advances	(400)	-
	658	**2,434**
Prepaid expenses	375	278
Balances with government authorities	148	148
Total	**1,181**	**2,860**
Current		
Advances to suppliers and service providers (refer note below)	2,975	3,865
Prepaid expenses	581	544
Balances with government authorities	354	379
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	2,228	3,127
Considered doubtful	1,759	859
Less: Provision for incentives receivable from government	(1,759)	(859)
Total	**6,332**	**8,109**
Total other assets	**7,513**	**10,969**

Note: Includes ₹ 5 (As at March 31, 2022: ₹ 48) advances given to related party. Also refer note 34.

9. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	2,003	1,224
Coal	11,366	7,031
Work-in-progress	1,522	3,930
Stores and spares	4,599	3,724
Packing materials	639	402
Finished goods*	1,101	954
Total (A)	**21,230**	**17,265**
Goods-in-transit:		
Raw materials	7	2
Coal	118	70
Packing materials	44	35
Total (B)	**169**	**107**
Total inventories (A+B)	**21,399**	**17,372**

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

* Includes stock-in-trade of ₹ 3 (As at March 31, 2022: ₹ 5).

All amounts are in ₹ Lakhs unless otherwise stated

10. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	1,347	1,408
Trade receivables considered good - Unsecured	13,914	11,003
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,385	1,092
Sub-total	**16,646**	**13,503**
Less: Expected credit loss allowance	(1,385)	(1,092)
Total trade receivables	**15,261**	**12,411**

Note: Includes ₹ 2,812 (March 31, 2022: 928) receivable from related party, refer note 34 and refer note 15 for the detail Trade receivables pledged.

No trade or other receivables, other than those disclosed in Note 34, are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	9,378	4,953	647	233	6	44	15,261
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	43	675	1,254
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	9,428	5,127	731	461	49	850	16,646

FY 2021-22

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
- considered good	7,465	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

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	1,092	890
Add: Expected credit loss allowance	293	202
Balance at the end of the year	1,385	1,092

11. Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	2	2
Balances with banks	100	1,545
Deposits with banks	12,000	12,500
Total Cash and cash equivalents	**12,102**	**14,047**

12. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend account	48	55
Margin money deposits (Refer Note below)	1,871	1,567
Total other bank balances	**1,919**	**1,622**

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

13 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2022: Equity Shares of ₹ 2 each) (Refer Note (a) below)	69,75,00,000	13,950	69,75,00,000	13,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2022:				
Preference Shares of ₹ 10 each)	4,30,00,000	4,300	4,30,00,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2022: Equity Shares of ₹ 2 each) (Refer Note (a) below)	13,07,07,548	2,614	11,75,00,000	2,350

Note:

(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.

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Opening balance	11,75,00,000	2,350	2,35,00,000	2,350
Allotment of equity shares (Refer note 41)	1,32,07,548	264	-	-
Stock Split (₹ 10 each into ₹ 2 each)	-	-	9,40,00,000	-
Closing balance	**13,07,07,548**	**2,614**	**11,75,00,000**	**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, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
AVH Resources India Private Limited	2,56,68,790	19.64%	2,56,68,790	21.85%
PI Opportunities Fund I Scheme II	1,32,07,548	10.10%	-	-
R V Consulting Services Private Limited	80,11,490	6.13%	80,11,490	6.82%
Aruna Sammidi	68,47,725	5.24%	68,47,725	5.83%
Anand Reddy Sammidi	65,32,620	5.00%	65,32,620	5.56%
Sreekanth Reddy Sammidi	61,97,015	4.74%	61,97,015	5.27%

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

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	80,11,490	6.13%	-0.69%	80,11,490	6.82%	-
Aruna Sammidi	68,47,725	5.24%	-0.59%	68,47,725	5.83%	-
Anand Reddy Sammidi	65,32,620	5.00%	-0.56%	65,32,620	5.56%	-
Sreekanth Reddy Sammidi	61,97,015	4.74%	-0.53%	61,97,015	5.27%	-
Rachana Sammidi	58,36,415	4.47%	-0.50%	58,36,415	4.97%	-
Vanajatha Sammidi	49,53,845	3.79%	-0.43%	49,53,845	4.22%	-
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.29%	-0.37%	43,00,000	3.66%	-
Siddarth Sammidi	41,09,490	3.14%	-0.36%	41,09,490	3.50%	-
Aneesh Reddy Sammidi	41,09,485	3.14%	-0.36%	41,09,485	3.50%	-
Malathi Reddy Wdaru	37,77,000	2.89%	-0.32%	37,77,000	3.21%	-
Madhavi Nadikattu	26,69,000	2.04%	-0.23%	26,69,000	2.27%	-
Andhra Pradesh Industrial Development Corporation	15,66,425	1.20%	-0.13%	15,66,425	1.33%	-
Panchavati Polyfibres Limited	1,57,500	0.12%	-0.01%	1,57,500	0.13%	-
P V Narsimha Reddy	10,000	0.01%	0.00%	10,000	0.01%	-

(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.

All amounts are in ₹ Lakhs unless otherwise stated

14. Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	35	35
Securities premium	88,351	54,327
General reserve	3,598	3,598
Retained earnings	72,195	69,188
Other items of other comprehensive income	(74)	(87)
Total other equity	**1,64,105**	**1,27,061**

Movement in other equity is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital reserve	**35**	**35**
(b) Securities premium		
(i) Opening balance	54,327	54,327
(ii) Premium on allotment of equity shares (Refer Note 41)	34,736	-
(iii) Share issue expenses	(712)	-
	88,351	**54,327**
(c) General reserve	**3,598**	**3,598**
(d) Retained earnings		
(i) Opening balance	69,188	59,398
(ii) Profit for the year	3,922	10,378
	73,110	69,776
Less: Appropriations		
(i) Dividend on equity shares (Refer Note 39)	915	588
(ii) Tax on dividend	-	-
	72,195	**69,188**
(e) Other items of other comprehensive income		
(i) Opening balance	(87)	(214)
(ii) Other comprehensive income for the year	13	127
	(74)	(87)
Total	1,64,105	1,27,061

Nature of reserves:

(a) Capital reserve

This represents subsidies received from the government.

(b) Securities premium

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

(c) General reserve

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

(d) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

(e) Other items of other comprehensive income

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

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans (Refer Note (i) below)	11,559	33,522
Non-convertible debentures (Refer Note (ii) below)	3,461	25,394
Total non current borrowings	**15,020**	**58,916**

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

Notes (i):

As at March 31, 2023

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer Note 2 below)	2,642	38 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer Note 2 below)	3,940	14 quarterly instalments	10.85%
Axis Bank Limited (Refer Note 3 below)	579	4 quarterly instalments	9.30%
Axis Bank Limited (Refer Note 4 below)	1,890	12 quarterly instalments	9.30%
State Bank of India (Refer Note 5 below)	1,798	12 quarterly instalments	9.40%
Axis Bank Limited (Refer Note 7 below)	1,205	34 monthly instalments	9.00%
HDFC Bank Limited (Refer Note 8 below)	2,250	36 monthly instalments	8.75%
The Federal Bank Limited (Refer Note 9 below)	1,875	10 quarterly instalments	9.30%
The Federal Bank Limited (Refer Note 11 below)	782	36 monthly instalments	9.25%
Vehicle loans from various banks (Refer Note 12 below)	492	20 to 32 monthly instalments	7.16% to 8.30%
Less: Current maturities of non-current borrowings	(5,894)		
Total	**11,559**		

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**		

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.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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 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, eight instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the Company both present and future, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.
2. 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 Company has repaid total NCD's outstanding during the current year. 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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
Cash credit facilities (Refer Notes below)	16,109	12,965
Current maturities of non-current borrowings (Refer Note 15A)	8,202	17,199
Total current borrowings	**24,311**	**30,164**

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% to 9.25% p.a. (2021-22: 7.90% 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% p.a. to 9.00% p.a. (2021-22: 7.60% to 7.70% p.a.).

All amounts are in ₹ Lakhs unless otherwise stated

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 8.75% p.a. (2021-22: 7.20% p.a. to 7.90% p.a.).
4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. to 9.10% p.a. (2021-22: 7.90% p.a.).
5. The Company has used the borrowings for the purposes for which it was taken.
6. 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, 2023	As at March 31, 2022
Non-current		
Security deposits received	7,615	6,124
Guarantee obligation	278	489
Loans from others	193	193
Total	**8,086**	**6,806**
Current		
Interest accrued but not due on borrowings	324	1,409
Unclaimed dividends (Refer Note below)	48	55
Payables on purchase of property, plant and equipment	409	199
Guarantee obligation	98	-
Total	**879**	**1,663**
Total other financial liabilities	**8,965**	**8,469**

Note:

As at March 31, 2023 (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Gratuity (Refer Note 33)	687	577
Compensated absences (Refer Note 33)	497	452
Total provisions	**1,184**	**1,029**
Non-current		
Gratuity	474	399
Compensated absences	352	329
Total	**826**	**728**
Current		
Gratuity	213	178
Compensated absences	145	123
Total	**358**	**301**

18. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (MSME)	160	60
Total outstanding dues of creditors other than micro enterprises and small enterprises	23,289	19,153
Total trade payables	**23,449**	**19,213**

All amounts are in ₹ Lakhs unless otherwise stated

Trade payables ageing schedule for the year ended March 31, 2023 and March 31, 2022:

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	154	6	-	-	-	160
(ii) Others	10,423	12,496	52	14	304	23,289
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**10,577**	**12,502**	**52**	**14**	**304**	**23,449**

FY 2021-22:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	60	-	-	-	-	60
(ii) Others	16,447	2,358	21	50	277	19,153
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**16,507**	**2,358**	**21**	**50**	**277**	**19,213**

19. Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Liability for land restoration	229	229
Total	**229**	**229**
Current		
Advance from customers (Refer Note below)	4,561	7,400
Statutory remittances	2,236	3,334
Total	**6,797**	**10,734**
Total other liabilities	**7,026**	**10,963**

Note: Includes ₹ Nil (March 31, 2022: ₹ 1,164) advance received from related party. Also refer note 34.

20. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from		
- Sale of cement and clinker (Refer note 38)	1,89,075	1,55,718
- Sale of power	1,037	711
Other operating income		
- Income from trademark and staffing charges to subsidiary	392	41
- Sale of scrap	214	152
- Sale of coal	-	111
- Insurance claims	205	45
- Others	117	8
Total revenue from operations	**1,91,040**	**1,56,786**

All amounts are in ₹ Lakhs unless otherwise stated

21. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on financial assets at amortised cost	7,901	2,531
Rent received from employees	21	19
Profit on sale of property, plant and equipments	34	-
Liabilities no longer required written back	12	81
Net gain on foreign currency transactions and translation	-	60
Total other income	**7,968**	**2,691**

22. Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	1,224	1,707
Add: Purchases	32,265	25,073
Less: Closing stock	2,003	1,224
Total cost of materials consumed	**31,486**	**25,556**
Details of materials consumed:		
Limestone	8,399	7,542
Laterite	4,220	3,472
Iron-ore sludge	588	392
Gypsum	2,034	2,022
Fly ash	4,024	2,643
Clinker purchased	734	55
Slag	3,368	3,188
Others	8,139	6,374
Less: Captive consumption	(20)	(132)
Total	**31,486**	**25,556**

23A. Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cement and Others	2,437	2,017
Total Purchase of stock-in-trade	**2,437**	**2,017**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year:		
Finished goods	949	729
Work-in-progress	3,930	703
	4,879	1,432
Inventories at the end of the year:		
Finished goods	1,098	949
Work-in-progress	1,522	3,930
	2,620	4,879
Net decrease/ (increase)	**2,259**	**(3,447)**

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, 2023	For the year ended March 31, 2022
Salaries and wages, including bonus	6,773	6,712
Contribution to provident and other funds (Refer note 33)	676	726
Staff welfare expenses	855	663
Total employee benefit expenses	**8,304**	**8,101**

25. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	9,219	5,269
Less: Borrowing costs on qualifying assets capitalised	(222)	(63)
Interest on deposits from dealers	238	243
Interest on lease liability (Refer note 35)	15	27
Other borrowing cost	1,183	1,458
Total finance cost	**10,433**	**6,934**

26. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 2)	8,173	7,707
Depreciation on right of use assets (Refer note 4 and 35)	144	155
Amortisation of intangible assets (Refer note 3)	173	173
Total depreciation and amortisation	**8,490**	**8,035**

27. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Packing materials consumed	6,939	6,564
Stores and spares consumed	3,704	4,048
Repairs and maintenance		
- Plant & equipment	2,345	2,302
- Buildings	11	158
- Others	1,017	1,090
Selling expenses	2,794	2,354
Expected credit loss allowance	293	202
Provision for incentives receivable from government	900	775
Provision for impairment on capital advances	400	-
Rent	189	164
Insurance	292	260
Rates and taxes	263	154
Expenditure on corporate social responsibility (Refer note 37)	280	255
Payment to auditors (Refer note (i) below)	78	81
Travelling and conveyance	550	356
Security services	328	289
Donations and contributions	259	137
Legal and other professional charges	801	675
Administrative expenses	278	230

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Printing and stationery	40	59
Communication	74	66
Net Loss on foreign currency transactions and translation	233	-
Net loss on fair value change in financial instruments	-	6
Directors sitting fees	43	46
Miscellaneous expenses	34	36
Loss on sale of plant and equipments	-	38
Total other expenses	**22,145**	**20,345**
Note:		
(i) Payment to auditors (net of taxes) comprises:		
For audit	41	41
For limited reviews	12	12
For other services	22	28
Reimbursement of expenses	3	-
Total	**78**	**81**

28. Income tax expense

(a) Income tax recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax:		
In respect of the current year	2,654	3,056
	2,654	3,056
Deferred tax		
In respect of current year origination and reversal of temporary differences	(228)	2,956
MAT Credit	-	(59)
	(228)	2,897
Total tax expense	**2,426**	**5,953**

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax (A)	6,348	16,331
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	2,218	5,706
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(55)	(39)
Effect on expenses disallowed under Income Tax Act, 1961	264	244
Others	(1)	42
Total	**208**	**247**
At the effective income tax rate	2,426	5,953
Total tax expense	2,426	5,953

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 2022-23:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT credit utilised	Closing balance
Property, plant and equipment and intangible assets	19,782	344	-	-	20,126
Provision for employee benefits	(289)	(61)	7	-	(343)
Expected credit loss allowance	(382)	(102)	-	-	(484)
MAT credit entitlement	(9,002)	-	-	1,277	(7,725)
Others	(340)	(409)	-	-	(749)
Total Deferred tax liability (Net)	**9,769**	**(228)**	**7**	**1,277**	**10,825**

Movement in deferred tax assets and liabilities for the year 2021-22

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT credit utilised	Closing balance
Property, plant and equipment and intangible assets	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**

(c) Income tax assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets (Net of provision of ₹ 4,849 (2021-22: ₹ 4,849)	435	463
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 1,191 (2021-22: ₹ 2,723)	(1,129)	(1,275)
Net Income tax liabilities	**(694)**	**(812)**

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, 2023	As at March 31, 2022
Direct tax matters	3,167	3,923
Indirect tax matters	1,251	1,323
Others	428	428

ii) The Finance Minister of Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts, the Company took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,612 (As at March 31, 2022: ₹ 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

All amounts are in ₹ Lakhs unless otherwise stated

energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,601 was reversed, but under protest. The balance of ₹ 11 pertains to the penalty imposed by the department and disclosed in contingent liabilities under indirect taxes. As at March 31, 2023, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Company.

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

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2023	As at March 31, 2022
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	37,000
Andhra Cements Limited*	Term loan from State Bank of India		60,000	-
Total			1,17,000	57,000

* The Company has not yet executed the corporate guarantee in favour of State Bank of India as on March 31, 2023.

c) Capital Commitments:

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	3,469	4,383

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, 2023	As at March 31, 2022
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	160	60
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.	-	-

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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 maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Note 15 offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

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

Description	As at March 31, 2023	As at March 31, 2022
Debt (Refer Note below)	39,331	89,080
Cash and cash equivalents and Other bank balances	14,021	15,669
Net debt	25,310	73,411
Total equity	1,66,719	1,29,411
Net debt to equity ratio	0.15	0.57

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

B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
Derivative Assets	-	-
Measured at amortised cost		
(i) Investments	60,696	28,473
(ii) Loans	7,031	51,413
(iii) Trade receivables	15,261	12,411
(iv) Cash and cash equivalents	12,102	14,047
(v) Other bank balances	1,919	1,622
(vi) Other financial assets	3,070	3,852
Total Financial assets	1,00,079	1,11,818

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	39,331	89,080
(ii) Trade payables	23,449	19,213
(iii) Lease liabilities	197	320
(iv) Other financial liabilities	8,965	8,469
Total Financial liabilities	71,942	1,17,082

All amounts are in ₹ Lakhs unless otherwise stated

C. Financial risk management objectives:

The Company's corporate finance function monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Company seeks to minimize the effects of these risks through continuous monitoring on day to day basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the Company's management which monitors risks and policies implemented to mitigate risk exposures.

D. Market risk:

The Company's activities expose it primarily to the financial risk of changes in interest rates. The Company seeks to minimize the effect of this risk through continuous monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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, 2023 would decrease/increase by ₹ 197 (for the year ended March 31, 2022: decrease/increase by ₹ 445). 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, except for one customer against whom the concentration of credit risk did not exceed 8% of gross monetary assets. 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

All amounts are in ₹ Lakhs unless otherwise stated

instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F. Liquidity risk management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest-bearing short-term deposits with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing facilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Secured bills acceptance facility, reviewed annually		
- amount used	18,977	4,894
- amount unused	1,523	12,606
Total	**20,500**	**17,500**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	16,109	12,965
- amount unused	1,091	4,235
Total	**17,200**	**17,200**
Secured non-convertible debentures		
- amount used	5,769	32,702
- amount unused	-	-
Total	**5,769**	**32,702**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	17,453	43,413
- amount unused	-	1,665
Total	**17,453**	**45,078**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	23,449	-	-
Lease liabilities	153	12	32
Other financial liabilities	879	360	7,726
Borrowings (including current maturities of non-current borrowings)	24,311	7,922	7,098

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

All amounts are in ₹ Lakhs unless otherwise stated

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Jajpur Cements Private Limited (For its expansion and general corporate purpose, carrying interest @ 12% p.a.)	-	46,483	50,000	46,483
Sagar Cements (M) Private Limited (For its requirement of setting up the Cement manufacturing unit, carrying interest @ 8% p.a.)	4,930	4,930	4,930	9,630
Andhra Cements Limited (For its requirement of implementation of resolution plan, carrying interest @ 10% p.a.)	2,000	-	2,000	-

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 ₹ 331 (2021–22: ₹ 337).

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 ₹ 51 (2021–22: ₹ 41).

Employee State Insurance

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognised during the year aggregated ₹ 3 (2021–22: ₹ 4).

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements as per actuarial valuation as at March 31, 2023 and March 31, 2022:

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.49%	7.33%
Expected rate of return on plan asset	7.01% to 7.36%	6.75% to 7.35%
Expected average remaining working lives of employees	16.22 years	16.69 years
Rate of escalation in salary	9.00%	9.30%
Attrition rate	9%	10%

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	144	198
Interest expense	98	96
Other adjustments	(7)	5
Expected return on plan assets	(68)	(62)
Defined benefit cost included in profit and loss	167	237
Re-measurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial and experience adjustments	(43)	(207)
Return on plan assets (excluding interest income)	23	12
Components of defined benefit costs recognised in OCI	(20)	**(195)**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of funded defined benefit obligations	1,651	1,534
Fair value of plan assets	(964)	(957)
Net liability arising from defined benefit obligation	687	577

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation at the beginning of the year	1,534	1,551
Current service cost	144	198
Interest cost	98	96
Remeasurements – Due to financial and experience adjustments	(43)	(207)
Benefits paid out of plan assets and by employer	(82)	(104)
Defined benefit obligation at the year end	1,651	**1,534**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within 1 year	216	178
1 – 2 years	224	199
2 – 3 years	156	200
3 – 4 years	186	141
4 – 5 years	150	164
5 – 10 years	682	612

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of the plan assets	957	900
Expected return on plan assets	68	62
Contributions from the employer	38	106
Benefits paid out of plan assets	(82)	(98)
Re-measurement – Return on Assets (excluding interest income)	(23)	(12)
Other adjustments	6	(1)
Fair value of plan asset at the year end	**964**	**957**

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, 2023		For the year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,409	1,573	1,306	1,458
Effect of 1% change in assumed salary rate	1,571	1,406	1,456	1,303
Effect of 1% change in assumed attrition rate	1,480	1,493	1,370	1,386

The Company is expected to contribute ₹ 522 lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at the period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate	7.49%	7.33%
Salary escalation rate	9.00%	9.30%
Attrition rate	9%	10%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

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

Notes to the Standalone Financial Statements

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34. Related Party Disclosures:

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

Name	Relationship
Jajpur Cements Private Limited	Wholly owned subsidiary Company
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary Company
Andhra Cements Limited	Subsidiary Company (w.e.f. March 18, 2023)
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	Chairman of the Board of Directors (upto September 23, 2022)
K. V. Vishnu Raju	Chairman of the Board of Directors (w.e.f. September 24, 2022)
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director (w.e.f. May 11, 2022)
Valliyur Hariharan Ramakrishnan	Independent Director (upto March 29, 2023)
Ravichandran Rajagopal	Independent Director (w.e.f. March 27, 2023)
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 with the above parties are as follows:

Nature of transaction	Party Name	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of packing materials	Panchavati Polyfibres Limited	8,064	7,240
Repayment of loans	Sagar Power Limited	-	900
Interest expense on loan	Sagar Power Limited	-	45
Sale of cement	Jajpur Cements Private Limited	-	262
Rent expenses paid	Dr. S. Anand Reddy	41	41
	S. Sreekanth Reddy	41	41
	S. Vanajatha	41	41
	Total	**123**	**123**
Legal and professional expenses	Sagarsoft (India) Limited	57	51
Income from services	Jajpur Cements Private Limited	233	17
	Sagar Cements (M) Private Limited	159	24
	Total	**392**	**41**

All amounts are in ₹ Lakhs unless otherwise stated

Nature of transaction	Party Name	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of clinker	Jajpur Cements Private Limited	1,882	577
	Sagar Cements (M) Private Limited	-	184
	Total	**1,882**	**761**
Sale of Coal	Sagar Cements (M) Private Limited	-	111
Reimbursement of expenses received	Sagarsoft (India) Limited	8	7
	RV Consulting Services Private Limited	12	13
	Sagar Power Limited	4	2
	Panchavati Polyfibres Limited	10	4
	Sagar Cements (M) Private Limited	64	33
	Jajpur Cements Private Limited	19	10
	Total	**117**	**69**
Interest income on corporate guarantee	Jajpur Cements Private Limited	36	41
	Sagar Cements (M) Private Limited	77	71
	Total	**113**	**112**
Financial assets - Loan	Sagar Cements (M) Private Limited	-	8,130
	Jajpur Cements Private Limited	3,517	46,483
	Andhra Cements Limited	2,000	-
	Total	**5,517**	**54,613**
Payment received against loan given	Sagar Cements (M) Private Limited	-	5,700
	Jajpur Cements Private Limited	50,000	-
	Total	**50,000**	**5,700**
Corporate guarantee given	Sagar Cements (M) Private Limited	-	6,000
Sale of property, plant and equipment	Sagar Cements (M) Private Limited	-	446
Interest income on loan	Sagar Cements (M) Private Limited	394	526
	Jajpur Cements Private Limited	5,631	1,487
	Andhra Cements Limited	16	-
	Total	**6,041**	**2,013**
Payment of salary	S. Siddarth Reddy	7	4
	S. Sahithi	-	46
	Total	**7**	**50**
Dividend paid	S. Vanajatha	35	25
	RV Consulting Services Private Limited	56	40
	S. Siddarth	29	21
	Panchavati Polyfibres Limited	1	1
	AVH Resources India Private Limited	180	128
	Dr. S. Anand Reddy	46	33
	S. Sreekanth Reddy	43	31
	Rachana Sammidi	41	29
	Total	**431**	**308**

Compensation to key managerial personnel is as follows:

Nature of transaction	Party Name	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term benefits	MD, JMD, CS and CFO	1,260	1,571
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	43	46

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2023	As at March 31, 2022
Financial assets - Loan	Sagar Cements (M) Private Limited	4,930	4,930
	Jajpur Cements Private Limited	-	46,483
	Andhra Cements Limited	2,000	-
	Total	**6,930**	**51,413**
Other financial assets - Advances	Sagar Power Limited	-	1
	RV Consulting Services Private Limited	5	13
	Jajpur Cements Private Limited	-	7
	Sagar Cements (M) Private Limited	-	27
	Total	**5**	**48**
Interest accrued but not due	Sagar Cements (M) Private Limited	852	497
	Jajpur Cements Private Limited	-	1,338
	Andhra Cements Limited	15	-
	Total	**867**	**1,835**
Rent Payable	Dr. S. Anand Reddy	4	-
	S. Sreekanth Reddy	4	-
	S. Vanajatha	4	-
	Total	**12**	**-**
Other liabilities - Advances	Jajpur Cements Private Limited	-	1,164
Trade payables	Panchavati Polyfibres Limited	742	711
	Sagarsoft (India) Limited	5	-
	Total	**747**	**711**
Trade Receivable	Jajpur Cements Private Limited	1,612	19
	Sagar Cements (M) Private Limited	1,200	909
	Total	**2,812**	**928**
Corporate guarantee (Refer Note 29)	Jajpur Cements Private Limited	20,000	20,000
	Sagar Cements (M) Private Limited	37,000	37,000
	Andhra Cements Limited*	60,000	-
	Total	**1,17,000**	**57,000**

* The Company has not yet executed the corporate guarantee in favour of State Bank of India as on March 31, 2023.

35. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The Company's lease asset classes primarily consist of leases for 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.

All amounts are in ₹ Lakhs unless otherwise stated

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.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	292	59
Additions	17	388
Depreciation	(144)	(155)
Closing Balance	**165**	**292**

The aggregate depreciation expense on right-of-use assets assets is included under depreciation and amortization expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	320	66
Additions	17	388
Finance cost accrued during the year	15	27
Payment of lease liabilities	(155)	(161)
Closing Balance	**197**	**320**

The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Non-current lease liabilities	44	166
Current lease liabilities	153	154
Total	**197**	**320**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on discounted basis

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within one year	153	154
After one year but not more than five years	37	136
More than five years	7	30

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

36. Earnings per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax (₹ in lakhs)	3,922	10,378
Weighted average number of equity shares outstanding (Refer Note 13(a))	12,94,04,886	11,75,00,000
Earnings per share:		
Basic and Diluted (in ₹)	3.03	8.83

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, 2023	For the year ended March 31, 2022
Amount required to be spent by the company during the year	301	243
Amount of expenditure incurred	306	255
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract price	2,17,988	1,93,449
Less: Discounts and incentives	(28,913)	(37,731)
Revenue as per statement of profit and loss	1,89,075	1,55,718

- 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.

All amounts are in ₹ Lakhs unless otherwise stated

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, 2023	For the year ended March 31, 2022
Final dividend for FY 2020-21	-	2.50
Final dividend for FY 2021-22	0.70	-

During the year ended March 31, 2023, on account of the final dividend for the financial year 2021-22, the Company has incurred a net cash outflow of ₹ 915.

The Board of Directors at their meeting held on May 10, 2023, recommended a final dividend of ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Company. This payment is subject to approval of the shareholders in the upcoming Annual General Meeting and if approved would result in the net cash outflow of approximately ₹ 915.

40. The Board of Directors of the Company in their meeting on January 28, 2022 approved the Scheme of Amalgamation of its wholly owned subsidiary Jajpur Cements Private Limited (JCPL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme from the concerned authorities, the undertakings of JCPL shall get transferred to and vested in the Company with the Appointed Date of April 01, 2022 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, the financial statements of the Company for the year ended March 31, 2023 are presented without giving effect to the said merger.

41. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the Company increased from ₹ 2,350/- to ₹ 2,614/-, divided into 13,07,07,548 equity shares of ₹ 2/- each.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

42. Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	4,714	1,903	81	58	6,755

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

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

43. Investment in subsidiary:

The National Company Law Tribunal, Amaravati Bench, approved the terms of the Resolution Plan submitted by the Company to acquire Andhra Cements Limited ("ACL") on February 16, 2023 pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016 (the "Resolution Plan"), consequent to which the terms of the Resolution Plan are now binding on the Company.

ACL is mainly engaged in the manufacturing of cement and has two manufacturing units located at Dachepalli, Andhra Pradesh and Visakhapatnam, Andhra Pradesh.

Post completion of the resolution process under the supervision of the monitoring committee (MC) which was constituted as per the mandate given in NCLT order, the Company obtained control of Andhra Cements Limited with effect from March 18, 2023, post dissolution of MC.

In accordance with the Resolution Plan, the Company has subscribed to 95% of the reconstituted paid-up share capital of ACL for an aggregate amount of ₹ 32,223 Lakhs and remaining 5% of the reconstituted paid-up share capital of ACL continue to be held by the existing public shareholders.

All amounts are in ₹ Lakhs unless otherwise stated

44. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2023	Transactions during the year ended March 31, 2022	Balance outstanding as at March 31, 2023*	Balance outstanding as at March 31, 2022*
Marble Estate India Limited	Customer	Sale of cement	-	-	(0.13)	(0.13)
Keller Ground Engineering India Private Limited			-	-	(2.00)	(2.00)
Target Fabrication & Constructions Private Limited			3.92	-	(0.10)	(0.10)

* Negative amount indicates payable.

45. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	% of Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	1.78	1.67	7%	-
Debt-Equity Ratio	Debt (1)	Net Worth (2)	0.24	0.69	(65)%	2
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment (3)	0.37	2.05	(82)%	1
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.03	0.08	(63)%	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory (4)	9.81	10.50	(7)%	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable (5)	12.61	12.79	(1)%	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables (6)	7.80	5.51	42%	1
Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	158.69	(20.41)	878%	1
Net profit ratio	Profit after tax	Sales of Products and Services	2.06%	6.63%	(69)%	1
Return on Capital employed	Earnings before interest and taxes	Average Capital Employed (7)	0.08	0.13	(38)%	1
Return on Investments	Income generated from investments	Time weighted average investments	Nil	Nil	-	-

(1) Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities
(2) Net Worth = Equity share capital + Other equity
(3) Excluding refinanced debt for all the loan funds during the period
(4) Average inventory = (Opening + Closing balance) / 2
(5) Average trade receivables = (Opening + Closing balance) / 2
(6) Average trade payables = (Opening + Closing balance) / 2
(7) Capital Employed = Total Assets - Current Liabilities

Notes:

1. During the Financial Year ended March 31, 2023, 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 loan has been since repaid during the Financial Year ended March 31, 2023 resulting into variations in this ratio.

Notes to the Standalone Financial Statements

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All amounts are in ₹ Lakhs unless otherwise stated

46. 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 standalone financial statements.

47. 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.

48. 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 no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

49. These financial statements were approved by the Company's Board of Directors on May 10, 2023.

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Independent Auditor's Report

To The Members of Sagar Cements Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sagar Cements Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor's Response
1	**Accounting for Acquisitions – Refer Note 42 of the Consolidated financial statements:**	**Principal audit procedures performed -**
	During the year, the Parent company acquired 95% of stake in Andhra Cements Limited, an equity listed company pursuant to the approval of its Resolution Plan by the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016. We considered the audit of accounting for this acquisition to be a Key Audit Matter as it was a significant transaction during the year which required significant management judgement regarding: • Assessment of control over the entity acquired. • Allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired entity with the Group.	• We have read the resolution plan approved by the National Company Law Tribunal and other related documents to obtain an understanding of the transactions and the key terms and conditions. • We evaluated the control assessment made by the management and assessed the accounting treatment applied to this transaction. • We evaluated the management assessment of provisional fair value of assets acquired for appropriateness and evaluated liabilities by corroborating it with the salient features of the resolution plan, our discussion with management and understanding of the business.

Sr. No	Key Audit Matter	Auditor's Response
1	**Accounting for Acquisitions – Refer Note 42 of the Consolidated financial statements:**	**Principal audit procedures performed -**
	• Provisional Fair valuation of the assets acquired and liabilities assumed in the acquisition and its impact on the carrying value of investment. • Accounting and disclosures given in the financial statements in accordance with the applicable Ind AS.	• We assessed the provisional accounting treatment followed by the Company for said acquisition and if the same was in accordance with the requirements of Ind AS 103 as applicable and also assessed the compliance of the disclosures made in Note 41 of the consolidated financial statements with the applicable accounting standards.
2	**Revenue Recognition – Refer Note 20 of the Consolidated Financial Statements**	**Principal audit procedure performed**
	Revenue from sale made to trade customers/dealers is recorded at the time of dispatch made from plant or godown location based on sales orders raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/ dealers are obtained on dispatch of goods. Given the volume of such sales orders which are in the form of oral/email requests received from the sales officers basis which the sales orders are entered in the system, there is significant audit effort to ensure that revenue is recorded based on such sale orders and confirmed by customer's acknowledgment on dispatch.	• Evaluated the appropriateness of the Company's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). • Obtained an understanding of the management's process and evaluated the design, implementation and operating effectiveness of the Company's key internal financial control over the revenue recognition process. We carried out combination of procedures involving inquiry and inspection of evidence in respect of operating effectiveness of these controls. • We understood the process and controls around sale order creation in the IT system of the Company and tested the general IT controls and key IT application/manual controls over the Company's system which record the sales order in the system. • Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verifying the underlying documents pertaining to conditions related to acceptance of goods, acknowledgement on delivery receipts/ invoice copy. • Compared the sales made to trade customers with historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded. • Obtained independent confirmations from customers having receivable balance on the closing date with detailed listing of invoices and quantity sold to them during the year.

Independent Auditor's Report

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to that entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from its financial statements audited by the other auditor.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these 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.

Other Matters

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 90,881 Lakhs as at March 31, 2023, total revenues of ₹ Nil and net cash outflows amounting to ₹ 959 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 5 & 48(iii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor that, to the best of their knowledge and belief, other than as disclosed in the note 5 & 48(iv) to consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent/ Holding Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of the respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
UDIN: 23213649BGVBYF5947

Place: Hyderabad
Date: May 10, 2023

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **SAGAR CEMENTS LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditor of the subsidiary company, which are companies incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
UDIN: 23213649BGVBYF5947

Place: Hyderabad
Date: May 10, 2023

Consolidated Balance Sheet

as at March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	2,68,671	1,93,738
(b) Capital work-in-progress	45	9,918	10,050
(c) Goodwill		4,162	4,162
(d) Intangible assets			
(i) Mining rights	3	5,295	5,538
(ii) Other Intangible assets	3	32	36
(e) Right of use assets	4	1,180	1,334
(f) Financial assets			
(i) Investments	5	-	31,468
(ii) Loans	6	53	-
(iii) Other financial assets	7	3,875	3,044
(g) Income tax assets (net)	28	435	480
(h) Deferred tax assets (net)	28	9,781	1,540
(i) Other non-current assets	8	3,610	13,529
Total Non-current assets		**3,07,012**	**2,64,919**
Current assets			
(a) Inventories	9	27,094	20,857
(b) Financial assets			
(i) Trade receivables	10	13,321	12,031
(ii) Cash and cash equivalents	11	17,491	14,306
(iii) Bank balances other than cash and cash equivalents	12	3,557	1,963
(iv) Loans	6	48	-
(v) Other financial assets	7	526	567
(c) Income tax assets (net)	28	5	-
(d) Other current assets	8	13,273	21,790
Total Current assets		**75,315**	**71,514**
Total Assets		**3,82,327**	**3,36,433**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,614	2,350
(b) Other equity	14A	1,61,135	1,23,193
Equity attributable to equity shareholders of the Parent		**1,63,749**	**1,25,543**
Non-controlling interests	14B	5,144	5,401
Total Equity		**1,68,893**	**1,30,944**
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	1,15,195	1,12,853
(ia) Lease liabilities	35	174	299
(ii) Other financial liabilities	16	8,992	6,852
(b) Provisions	17	1,029	751
(c) Deferred tax liabilities (net)	28	10,825	9,769
(d) Other non-current liabilities	19	249	229
Total Non-current liabilities		**1,36,464**	**1,30,753**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	32,017	37,482
(ia) Lease liabilities	35	180	190
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		431	214
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		30,449	21,885
(iii) Other financial liabilities	16	4,190	3,104
(b) Provisions	17	442	308
(c) Income tax liabilities (net)	28	1,421	1,275
(d) Other current liabilities	19	7,840	10,278
Total Current liabilities		**76,970**	**74,736**
Total Liabilities		**2,13,434**	**2,05,489**
Total Equity And Liabilities		**3,82,327**	**3,36,433**
Corporate information and significant accounting policies	1		
See accompanying notes forming part of the consolidated financial statements			

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	20	2,22,954	1,59,687
II	Other income	21	22,270	1,342
III	**Total Income (I + II)**		**2,45,224**	**1,61,029**
IV	**Expenses**			
	(a) Cost of materials consumed	22	38,035	25,512
	(b) Purchase of stock-in-trade	23A	2,437	1,906
	(c) Changes in inventories of finished goods, and work-in-progress	23B	1,745	(4,886)
	(d) Employee benefits expense	24	9,934	8,555
	(e) Finance costs	25	20,164	9,248
	(f) Depreciation and amortisation expense	26	15,577	9,271
	(g) Power and fuel expenses		89,353	51,573
	(h) Freight and forwarding expense		38,887	27,855
	(i) Other expenses	27	27,245	21,595
	Total Expenses		**2,43,377**	**1,50,629**
V	**Profit before tax (III - IV)**		**1,847**	**10,400**
VI	**Tax Expense**			
	(a) Current tax	28	2,946	3,056
	(b) Deferred tax	28	(1,949)	1,429
	Total Tax expense		**997**	**4,485**
VII	Profit after tax (V - VI)		850	5,915
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain on defined benefits plan	32	22	200
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(7)	(69)
	Other comprehensive income for the year, net of tax		**15**	**131**
IX	**Total comprehensive income for the year (VII + VIII)**		**865**	**6,046**
	Profit for the year attributable to;			
	Equity shareholders of the Parent		2,904	6,915
	Non controlling interest		(2,054)	(1,000)
			850	**5,915**
	Total comprehensive income for the year attributable to ;			
	Equity shareholders of the Parent		2,919	7,045
	Non controlling interest		(2,054)	(999)
			865	**6,046**
X	**Earnings per equity share (Face value of ₹ 2 each fully paid (March 31, 2022: ₹ 2 each fully paid))**			
	Basic and Diluted	36	0.66	5.03
	Corporate information and significant accounting policies	1		
	See accompanying notes forming part of the consolidated financial statements			

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	For the year ended March 31, 2022
Balance as at March 31, 2021	2,350
Changes in equity share capital during the year	-
Balance as at March 31, 2022	2,350
Changes in equity share capital during the year (Refer Note 44)	264
Balance as at March 31, 2023	**2,614**

B. Other equity

Particulars	Attributable to equity shareholders of the Parent						Non-controlling interests	Total other equity
	Reserves and surplus				Other items of other comprehensive income	Total other equity attributable to equity shareholders of the Parent		
	Capital reserve	Securities premium	General reserve	Retained earnings				
Balance as at March 31, 2021	35	54,327	3,598	58,989	(214)	1,16,735	5,351	1,22,086
Profit for the year	-	-	-	6,915	-	6,915	(1,000)	5,915
Dividend on equity shares (Refer Note 41)	-	-	-	(588)	-	(588)	-	(588)
Other comprehensive income for the year (net of tax ₹ 69)	-	-	-	-	131	131	-	131
Allotment of equity shares	-	-	-	-	-	-	20	20
Premium on allotment of equity shares	-	-	-	-	-	-	1,030	1,030
Balance as at March 31, 2022	35	54,327	3,598	65,316	(83)	1,23,193	5,401	1,28,594
Profit for the year	-	-	-	2,904	-	2,904	(2,054)	850
Dividend on equity shares (Refer Note 41)	-	-	-	(915)	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 7)	-	-	-	-	15	15	-	15
Effect of business combination (Refer Note 42)	1,914	-	-	-	-	1,914	1,797	3,711
Premium on allotment of equity shares (Refer Note 44)	-	34,736	-	-	-	34,736	-	34,736
Expenses on issue of shares	-	(712)	-	-	-	(712)	-	(712)
Balance as at March 31, 2023	1,949	88,351	3,598	67,305	(68)	1,61,135	5,144	1,66,279

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A Cash Flow From Operating Activities				
Profit before tax for the year		1,847		10,400
Adjustments for:				
Depreciation and amortisation expense	15,577		9,271	
Finance costs	20,164		9,248	
Interest income	(20,272)		(1,182)	
Liabilities no longer required written back	(13)		(81)	
Expected credit loss allowance on trade receivables	293		202	
Provision for incentives receivable from government	900		775	
Provision for capital advances	400		-	
Net loss on fair value change in financial instruments	-		6	
(Profit)/ loss on sale of property, plant and equipment	(35)		38	
Gain on sale of investments	(1,929)		-	
Loss on fair valuation of investments (net)	89		-	
		15,174		18,277
Operating profit before working capital changes		17,021		28,677
Changes in working capital				
Adjustments for (increase)/decrease in operating assets:				
Trade receivables	(1,583)		(2,163)	
Inventories	(6,237)		(8,429)	
Financial assets	(386)		(420)	
Other assets	2,609		(8,267)	
		(5,597)		(19,279)
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	8,361		(719)	
Other financial liabilities	1,582		946	
Provisions	292		192	
Other liabilities	(2,664)		1,856	
		7,571		2,275
Cash generated from operating activities		18,995		11,673
Less: Income tax paid		(1,479)		(2,975)
Net cash generated from operating activities		17,516		8,698
B Cash Flow From Investing Activities				
Capital expenditure on property, plant and equipment including capital advances	(11,774)		(36,098)	
Deposits not considered as cash and cash equivalents				
- Placed	(2,008)		(1,820)	
- Matured	1,018		1,697	
Proceeds from sale of property, plant and equipment	133		487	
Purchase of investments	-		(43,220)	
Proceeds from sale of investments	45,149		-	
Acquisition of subsidiary	(32,223)		-	
Interest received	16,701		562	
Net cash generated from/ (used in) investing activities		16,996		(78,392)
C Cash Flow From Financing Activities				
Proceeds from allotment of equity shares (Refer Note 44)	35,000		1,050	
Expenses on issue of shares	(712)		-	
Proceeds from non-current borrowings	7,081		69,382	
Proceeds from loan from others and related parties (net)	-		-	
Loans given to employees	(101)		-	
Repayment of loan from related party	-		(958)	
Repayment of non-current borrowings	(60,613)		(7,452)	
Repayment of lease liability	(182)		(187)	
Proceeds from current borrowings (net)	1,573		7,757	
Finance costs	(17,787)		(7,518)	
Dividend paid	(915)		(588)	
Net cash (used in)/ generated from financing activities		(36,656)		61,486
Net decrease in cash and cash equivalents (A+B+C)		(2,144)		(8,208)
Cash and cash equivalents at the beginning of the year		14,306		22,514
Cash acquired on acquisition of a subsidiary		5,329		-
Cash and Cash equivalents at the end of the year (Refer Note 11)		17,491		14,306

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

CIN: L26942TG1981PLC002887

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2022	Cash flow changes		Non-cash flow changes		As at March 31, 2023
		Proceeds	Repayment	Effect of business combination	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	1,32,361	7,081	(60,613)	48,836	-	1,27,665
Loan from related party and others	284	-	-	-	-	284
Current borrowings	17,974	1,573	-	-	-	19,547
Total liabilities from financing activities	**1,50,619**	**8,654**	**(60,613)**	**48,836**	**-**	**1,47,496**

Particulars	As at April 01, 2021	Cash flow changes		Non-cash flow changes		As at March 31, 2022
		Proceeds	Repayment	Effect of business combination	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	70,431	69,382	(7,452)	-	-	1,32,361
Loan from related party and others	1,242	-	(958)	-	-	284
Current borrowings	10,217	7,757	-	-	-	17,974
Total liabilities from financing activities	**81,890**	**77,139**	**(8,410)**	**-**	**-**	**1,50,619**

Reconciliations of lease liability:

Particulars	As at April 01, 2022	Additions	Finance cost accrued during the year	Effect of business combination	Payment of lease liabilities	As at March 31, 2023
Lease liabilities	489	17	30	-	(182)	354

Particulars	As at April 01, 2021	Additions	Finance cost accrued during the year	Effect of business combination	Payment of lease liabilities	As at March 31, 2022
Lease liabilities	235	398	43	-	(187)	489

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 10, 2023

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Notes to the Consolidated 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/ Parent Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange (NSE) of India Limited and The BSE Limited. The registered office of the Company is located at Hyderabad. The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries Jajpur Cements Private Limited, Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited) and Andhra Cements Limited (collectively referred to as "the Group"). The Group is engaged in the business of manufacture and sale of cement and generation of power for sale and captive consumption.

(b) Significant accounting policies

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for net realisable value in

Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

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

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

(iii) Functional and Presentation currency

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

Rounding of amounts

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

(iv) Use of estimates and Judgements

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

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

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

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

- Defined benefit plans

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

- Recognition of deferred tax assets and liabilities

  Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profit. The Group uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

- Fair value measurement of Financial instruments

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

- Provisions and contingencies

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

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

- Leases

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

the lease being evaluated or for a portfolio of leases with similar characteristics.

- Impairment of investments

  Determining whether the investments, are impaired requires an estimate of the value in use of investments. In considering the factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

- Inventories

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

- Expected credit losses

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

- Mining rights

  The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

  The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

(v) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2023 and March 31, 2022.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

All amounts are in ₹ Lakhs unless otherwise stated

Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Investee relationship		Principal place of business	Ownership held by	% of Holding and voting power held directly	
	March 31, 2023	March 31, 2022			As at March 31, 2023	As at March 31,2022
Jajpur Cements Private Limited	Wholly Owned Subsidiary	Wholly Owned Subsidiary	India	Sagar Cements Limited	100%	100%
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	95%	NIL

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries
- Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.
- When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(vi) Business combination

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of the acquire. Acquisition related costs are generally recognised in statement of profit and loss as incurred.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or 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 at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

If 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 Group has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings.

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(vii) Non-controlling interests ("NCI")

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

Profit and loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(viii) Goodwill

Goodwill is measured at cost, being the excess of the 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 Group'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.

(ix) Revenue recognition

The Group derives revenue from the sale of cement and recognizes when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Revenue from service contracts with customers is recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power

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

Dividend and interest income

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

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

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

(x) Borrowing costs

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

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.

(xi) Government grants

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

a) The Group will comply with the conditions attached to them; and

b) The grant will be received.

(xii) Employee benefits

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

Defined Contribution Plans

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

Defined Benefit Plans

For defined benefit retirement 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.

(xiii) Taxation

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

Current tax

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

Deferred tax

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

All amounts are in ₹ Lakhs unless otherwise stated

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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax

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

(xiv) Property, plant and equipment

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

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

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

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

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under WDV method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Useful lives
Railway siding	25 years
Plant and machinery other than continuous process plant	3 - 25 years
Electrical Equipment (Plant & Machinery)	15 years and 25 years

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

The Group follows the process of componentization for property, plant and equipment. Accordingly, the group has identified a part of an asset as a separate component in whole asset value (beyond certain

All amounts are in ₹ Lakhs unless otherwise stated

value) and useful life of the part is different from the useful life of the remaining asset. The useful life has been assessed based on technical advice, taking into account the nature of the asset / component of an asset, the estimated usage of the asset / component of an asset on the basis of management's best estimation of getting economic benefits from those class of assets / components of an asset. The Group uses its technical expertise along with historical and industry trends for arriving the economic life of an asset/ component of an asset.

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

Land-Restoration:

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

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

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

(xv) Intangible assets and amortisation

Computer software acquired are measured on initial recognition at cost and mining rights are recognised on account of business combination. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(xvi) Inventories

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

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

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

Cash flows are reported using indirect method whereby profit/ (loss) before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

(xviii) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

(xix) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Group's performance and allocates resources based on analysis of various performance indicators by business segments.

(xx) Financial Instruments

(A) Initial recognition

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognised immediately in profit and loss.

(B) Subsequent measurement

Non-derivative Financial Instruments:

a. **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. **Financial assets at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. **Financial assets at fair value through profit and loss:** A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. **Financial liabilities:** Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration 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 amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

(C) De-recognition of financial assets and liabilities

a. Financial assets:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

(xxi) Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not hold derivative financial instruments for speculative purposes.

(xxii) Investments

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(xxiii) Impairment of assets

a. Financial assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit and loss.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. As a practical expedient, the Group uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognised in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(xxiv) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xxv) Provisions, contingent liabilities and contingent assets

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

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

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

(xxvi) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially 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 amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xxvii) Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(xxviii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

b) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

c) Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2023	As at March 31, 2022
Land - freehold	10,502	9,787
Land - restoration	155	150
Buildings	47,415	43,260
Plant and machinery	1,87,795	1,18,362
Furniture and fittings	212	268
Office and other equipment	3,035	3,335
Electrical installations	14,261	12,924
Computers	104	121
Vehicles	370	460
Railway siding	4,822	5,071
Total	**2,68,671**	**1,93,738**

For the year 2022-23

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross Block											
Opening balance	9,787	229	56,776	1,55,901	1,066	7,166	21,758	538	1,439	6,684	2,61,344
Add: Additions	24	18	3,422	10,930	10	569	1,093	44	58	-	16,168
Add: Additions through business combination	699	-	10,571	1,15,676	15	383	7,212	57	124	183	1,34,920
Less: Disposals	8	-	-	7	-	74	86	-	41	-	216
Balance as at March 31, 2023	**10,502**	**247**	**70,769**	**2,82,500**	**1,091**	**8,044**	**29,977**	**639**	**1,580**	**6,867**	**4,12,216**
II. Accumulated depreciation											
Opening Balance	-	79	13,516	37,539	798	3,831	8,834	417	979	1,613	67,606
Add: Depreciation expense	-	13	4,634	6,868	66	881	2,225	69	149	249	15,154
Add: Additions through business combinations	-	-	5,204	50,301	15	361	4,671	49	119	183	60,903
Less: Eliminated on disposal of assets	-	-	-	3	-	64	14	-	37	-	118
Balance as at March 31, 2023	**-**	**92**	**23,354**	**94,705**	**879**	**5,009**	**15,716**	**535**	**1,210**	**2,045**	**1,43,545**
Net block (I-II)											
Carrying value as at March 31, 2023	**10,502**	**155**	**47,415**	**1,87,795**	**212**	**3,035**	**14,261**	**104**	**370**	**4,822**	**2,68,671**
Carrying value as at March 31, 2022	**9,787**	**150**	**43,260**	**1,18,362**	**268**	**3,335**	**12,924**	**121**	**460**	**5,071**	**1,93,738**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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	31,188	1,10,731	909	5,452	12,050	440	1,272	6,684	1,78,742
Add: Additions	-	-	25,588	45,763	157	2,463	9,723	98	316	-	84,108
Less: Disposals	-	-	-	593	-	749	15	-	149	-	1,506
Balance as at March 31, 2022	**9,787**	**229**	**56,776**	**1,55,901**	**1,066**	**7,166**	**21,758**	**538**	**1,439**	**6,684**	**2,61,344**
II. Accumulated depreciation											
Opening Balance	-	69	11,426	32,824	755	4,142	7,730	366	955	1,364	59,631
Add: Depreciation expense	-	10	2,090	4,864	43	372	1,117	51	162	249	8,958
Less: Eliminated on disposal of assets	-	-	-	149	-	683	13	-	138	-	983
Balance as at March 31, 2022	**-**	**79**	**13,516**	**37,539**	**798**	**3,831**	**8,834**	**417**	**979**	**1,613**	**67,606**
Net block (I-II)											
Carrying value as at March 31, 2022	**9,787**	**150**	**43,260**	**1,18,362**	**268**	**3,335**	**12,924**	**121**	**460**	**5,071**	**1,93,738**
Carrying value as at March 31, 2021	**9,787**	**160**	**19,762**	**77,907**	**154**	**1,310**	**4,320**	**74**	**317**	**5,320**	**1,19,111**

Pledge on property, plant and equipment:

1. Property, plant and equipment (other than vehicles and land restoration) with a carrying amount of ₹ 2,68,148 (March 31, 2022: ₹ 1,93,128) 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 ₹ 370 (March 31, 2022: ₹ 460) are hypothecated to respective banks against vehicle loans. Refer Note 15.

3. The Group has not revalued its Property, plant and equipment.

All amounts are in ₹ Lakhs unless otherwise stated

3. Intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
Mining rights	5,295	5,538
Other Intangible assets	32	36
Total	**5,327**	**5,574**

For the year 2022-23

Particulars	Mining rights	Other Intangible assets	Total
I. Gross Block			
Opening Balance	6,647	324	6,971
Add: Additions	-	5	5
Less: Disposals	-	-	-
Balance as at March 31, 2023	**6,647**	**329**	**6,976**
II. Accumulated amortisation			
Opening Balance	1,109	288	1,397
Add: Amortisation expense	243	9	252
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2023	**1,352**	**297**	**1,649**
Net block (I-II)			
Carrying value as at March 31, 2023	**5,295**	**32**	**5,327**
Carrying value as at March 31, 2022	5,538	36	5,57

For the year 2021-22

Particulars	Mining rights	Other Intangible assets	Total
Gross Block			
Opening Balance	6,647	315	6,962
Add: Additions	-	9	9
Less: Disposals	-	-	-
Balance as at March 31, 2022	**6,647**	**324**	**6,971**
II. Accumulated amortisation			
Opening Balance	922	283	1,205
Add: Amortisation expense	187	5	192
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2022	**1,109**	**288**	**1,397**
Net block (I-II)			
Carrying value as at March 31, 2022	**5,538**	**36**	**5,574**
Carrying value as at March 31, 2021	5,725	32	5,757

Note: The Company has not revalued its intangible assets.

4. Right of use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Buildings	178	316
Leasehold land	1,002	1,018
Total	**1,180**	**1,334**

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2022-23

Particulars	Computer Software	Mining rights	Total
I. Gross Block			
Opening Balance	763	1,067	1,830
Add: Additions	17	-	17
Balance as at March 31, 2023	**780**	**1,067**	**1,847**
II. Accumulated depreciation			
Opening Balance	447	49	496
Add: Depreciation expense	155	16	171
Balance as at March 31, 2023	**602**	**65**	**667**
Net block (I-II)			
Carrying value as at March 31, 2023	**178**	**1,002**	**1,180**
Carrying value as at March 31, 2022	316	1,018	1,334

For the year 2021-22

Particulars	Computer Software	Mining rights	Total
I. Gross Block			
Opening Balance	370	1,062	1,432
Add: Additions	393	5	398
Balance as at March 31, 2022	**763**	**1,067**	**1,830**
II. Accumulated depreciation			
Opening Balance	282	34	316
Add: Depreciation expense	165	15	180
Balance as at March 31, 2022	**447**	**49**	**496**
Net block (I-II)			
Carrying value as at March 31, 2022	**316**	**1,018**	**1,334**
Carrying value as at March 31, 2021	88	1,028	1,116

Note: Refer Note 35 on operating lease.

5 Investments in debentures (measured at fair value through profit or loss)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos.	Amount	Nos.	Amount
Face Value of ₹ 10,000 each fully paid:				
Pridhvi asset reconstruction and securitisation company limited	-	-	4,29,600	31,468
0.01% Non-convertible redeemable debentures (Refer Note (i) and (ii) below)				
		-	**4,29,600**	**31,468**

Notes:

(i) Parent Company advanced loan to Jajpur Cements Private Limited (JCPL), Wholly owned subsidiary of the Company during the year aggregating to ₹ 50,000. JCPL invested an amount of ₹ Nil (March 31, 2022: ₹ 44,201) in 0.01% Non-cumulative, Non-convertible debentures issued by Pridhvi Asset Reconstruction And Securitisation Company Limited ("ARC" or "PARAS"). The Debentures are secured against Security Receipts invested in by the ARC & lying-in favour of the Debenture Trustee viz., Catalyst Trusteeship Limited. These Debentures are redeemable over a period of 3 years. In the event of default, the security receipts invested in by the ARC would be transferred to the Jajpur Cements Private Limited. These debentures were redeemed during the financial year ended March 31, 2023.

All amounts are in ₹ Lakhs unless otherwise stated

(ii) At initial recognition during the financial year ended March 31, 2022, the debentures are measured at fair value. The difference between the fair value at initial recognition and the transaction price is accounted as prepaid asset under Other assets. Accordingly, ₹ 31,781 is accounted as fair value of the debentures and ₹ 12,770 is accounted as prepaid expense. As at March 31, 2023, ₹ 3,509 (March 31, 2022: ₹ 602) has been recognised as interest income and added to cost of debentures.

(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.

6 Loans (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans to employees	53	-
Total	**53**	-
Current		
Loans to employees	48	-
Total	**48**	-
Total loans	**101**	-

7 Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	2,353	1,857
Balances held as margin money deposit against borrowings	1,522	1,187
Total	**3,875**	**3,044**
Current		
Security deposits	322	351
Advances to employees	40	117
Interest accrued but not due	164	99
Total	**526**	**567**
Total other financial assets	**4,401**	**3,611**

8 Other assets (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances		
Unsecured considered good	2,107	4,551
Considered doubtful	400	-
Less: Provision for advances	(400)	-
	----	----
	2,107	**4,551**
Advances to suppliers and service providers	71	71
Prepaid expenses (Refer note 1 below)	1,284	8,759
Balances with government authorities	327	148
Less: Provision for doubtful deposits	(179)	-
	148	**148**
Total	**3,610**	**13,529**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advances to suppliers and service providers (Refer note 2 below)	3,759	4,289
Prepaid expenses (Refer note 1 below)	852	5,221
Balances with government authorities	6,172	8,891
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	2,296	3,195
Considered doubtful	1,759	859
Less: Provision for incentives receivable from government	(1,759)	(859)
Total	**13,273**	**21,790**
Total other assets	**16,883**	**35,319**

Note:

1. Net Prepaid Expense as of March 31, 2023 recognised on account of fair value of Debentures subscribed by M/s. Jajpur Cements Private Limited, wholly owned subsidiary company during the year ₹ Nil (March 31, 2022: ₹ 11,753)

2. Includes ₹ 5 (March 31, 2022: 14) advances given to related party (Refer note 34).

9 Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	2,498	1,999
Coal	13,362	7,795
Work-in-progress	2,971	4,847
Stores and spares	6,121	3,811
Packing materials	843	649
Finished goods*	1,876	1,476
Less: Provision for Obsolete Stores/Diminution in Value of Stocks	(782)	-
Total (A)	**26,889**	**20,577**
Goods-in-transit:		
Raw materials	10	172
Coal	137	70
Packing materials	58	35
Finished goods	-	3
Total (B)	**205**	**280**
Total inventories (A+B)	**27,094**	**20,857**

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

* Includes stock-in-trade ₹ 3 (As at March 31, 2022: ₹ 5).

All amounts are in ₹ Lakhs unless otherwise stated

10 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	1,641	1,532
Trade receivables considered good - Unsecured	11,680	10,499
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,397	1,104
Sub-total	14,718	13,135
Less: Expected credit loss allowance	(1,397)	(1,104)
Total trade receivables	**13,321**	**12,031**

No trade or other receivables, other than those disclosed in Note 34, are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	7,489	4,848	701	233	6	44	13,321
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	43	687	1,266
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	**7,539**	**5,022**	**785**	**461**	**49**	**862**	**14,718**

FY 2021-22:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	7,625	3,134	976	234	42	20	12,031
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	-	77	77	56	60	722	992
- 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	**7,625**	**3,211**	**1,053**	**290**	**102**	**854**	**13,135**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	1,104	902
Add: Expected credit loss allowance	293	202
Balance at the end of the year	**1,397**	**1,104**

11 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	4	4
Balances with banks	486	1,802
Deposits with banks	17,001	12,500
Total Cash and cash equivalents	**17,491**	**14,306**

12 Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Unpaid dividend account	48	55
Margin money deposits (Refer note below)	3,509	1,908
Total Other bank balances	**3,557**	**1,963**

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

13 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2022: Equity Shares of ₹ 2 each) (Refer Note (a) below)	69,75,00,000	13,950	69,75,00,000	13,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2022: Preference Shares of ₹ 10 each)	4,30,00,000	4,300	4,30,00,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹ 2 each (March 31, 2022: Equity Shares of ₹ 2 each) (Refer Note (a) below)	13,07,07,548	2,614	11,75,00,000	2,350

Note:

(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.

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Opening balance	11,75,00,000	2,350	2,35,00,000	2,350
Allotment of equity shares (Refer note 44)	1,32,07,548	264	-	-
Stock Split (₹ 10 each into ₹ 2 each)	-	-	9,40,00,000	-
Closing balance	**13,07,07,548**	**2,614**	**11,75,00,000**	**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:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
AVH Resources India Private Limited	2,56,68,790	19.64%	2,56,68,790	21.85%
PI Opportunities Fund I Scheme II	1,32,07,548	10.10%	-	-
R V Consulting Services Private Limited	80,11,490	6.13%	80,11,490	6.82%
Aruna Sammidi	68,47,725	5.24%	68,47,725	5.83%
Anand Reddy Sammidi	65,32,620	5.00%	65,32,620	5.56%
Sreekanth Reddy Sammidi	61,97,015	4.74%	61,97,015	5.27%

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

Particulars	As at March 31, 2023			As at March 31, 2022		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	80,11,490	6.13%	-0.69%	80,11,490	6.82%	-
Aruna Sammidi	68,47,725	5.24%	-0.59%	68,47,725	5.83%	-
Anand Reddy Sammidi	65,32,620	5.00%	-0.56%	65,32,620	5.56%	-
Sreekanth Reddy Sammidi	61,97,015	4.74%	-0.53%	61,97,015	5.27%	-
Rachana Sammidi	58,36,415	4.47%	-0.50%	58,36,415	4.97%	-
Vanajatha Sammidi	49,53,845	3.79%	-0.43%	49,53,845	4.22%	-
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.29%	-0.37%	43,00,000	3.66%	-
Siddarth Sammidi	41,09,490	3.14%	-0.36%	41,09,490	3.50%	-
Aneesh Reddy Sammidi	41,09,485	3.14%	-0.36%	41,09,485	3.50%	-
Malathi Reddy Wdaru	37,77,000	2.89%	-0.32%	37,77,000	3.21%	-
Madhavi Nadikattu	26,69,000	2.04%	-0.23%	26,69,000	2.27%	-
Andhra Pradesh Industrial Development Corporation	15,66,425	1.20%	-0.13%	15,66,425	1.33%	-
Panchavati Polyfibres Limited	1,57,500	0.12%	-0.01%	1,57,500	0.13%	-
P V Narsimha Reddy	10,000	0.01%	0.00%	10,000	0.01%	-

(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.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

14A Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	1,949	35
Securities premium	88,351	54,327
General reserve	3,598	3,598
Retained earnings	67,305	65,316
Other items for other incomprehensive income	(68)	(83)
Total other equity	**1,61,135**	**1,23,193**

Movement in other equity is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Reserve		
(i) Opening Balance	35	35
(ii) Effect of business combination (Refer note 42)	1,914	-
	1,949	35
(b) Securities premium		
(i) Opening Balance	54,327	54,327
(ii) Premium on allotment of equity shares (Refer note 44)	34,736	-
(iii) Share issue expenses incurred during the year	(712)	-
	88,351	54,327
(c) General Reserve	3,598	3,598
(d) Retained earnings		
(i) Opening balance	65,316	58,989
(ii) Profit for the year	2,904	6,915
	68,220	65,904
Less: Appropriations		
(i) Dividend on equity shares (Refer note 41)	915	588
	67,305	65,316
(e) Other items of other comprehensive income		
(i) Opening Balance	(83)	(214)
(ii) Other comprehensive income	15	131
	(68)	(83)
Total	**1,61,135**	**1,23,193**

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.

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.

14B Non-controlling Interests ('NCI')

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	5,401	5,351
Effect of business combination (Refer note 42)	1,797	-
Total comprehensive loss for the year attributable to NCI	(2,054)	(1,000)
Allotment of equity shares	-	20
Premium on allotment of equity shares	-	1,030
Balance at end of the year	**5,144**	**5,401**

Details of subsidiaries with the non-controlling interests:

Particulars	Place of incorporation and principal place of business	Non-controlling interests	
		As at March 31, 2023	As at March 31, 2022
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited)	India	35%	35%

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

Particulars	As at March 31, 2023	As at March 31, 2022
Non-convertible debentures (Refer note (ii) below)	3,461	25,394
Term loans (Refer note (i) below)	1,11,734	87,459
Total non-current borrowings	**1,15,195**	**1,12,853**

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

Note (i):

As at March 31, 2023

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 2 below)	2,642	38 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 2 below)	3,940	14 quarterly instalments	10.85%
Axis Bank Limited (Refer note 3 below)	579	4 quarterly instalments	9.30%
Axis Bank Limited (Refer note 4 below)	1,890	12 quarterly instalments	9.30%
State Bank of India (Refer note 5 below)	1,798	12 quarterly instalments	9.40%
Axis Bank Limited (Refer note 7 below)	1,205	34 monthly instalments	9.00%
HDFC Bank Limited (Refer note 8 below)	2,250	36 monthly instalments	8.75%
The Federal Bank Limited (Refer note 9 below)	1,875	10 quarterly instalments	9.30%
The Federal Bank Limited (Refer note 11 below)	782	36 monthly instalments	9.25%
Axis Bank Limited (Refer note 12 below)	18,700	32 quarterly instalments	10.15%
Yes Bank Limited (Refer note 13 below)	15,249	33 quarterly instalments	9.65%
State Bank of India (Refer note 14 below)	19,939	33 quarterly instalments	10.15%
State Bank of India (Refer note 15 below)	50,490	39 quarterly instalments	9.60%
Vehicle loans from various banks/financial institutions (Refer note 16 below)	557	1 to 36 monthly instalments	7.16% to 8.30%
Less: Current maturities of non-current borrowings	(10,162)		
	1,11,734		

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

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%
Axis Bank Limited (Refer note 12 below)	19,700	36 quarterly instalments	8.75%
Yes Bank Limited (Refer note 13 below)	15,723	37 quarterly instalments	8.30%
State Bank of India (Refer note 14 below)	20,745	37 quarterly instalments	9.25%
Vehicle loans from various banks/financial institutions (Refer note 16 below)	573	2 - 36 monthly instalments	7.16% to 9.13%
Less: Current maturities of non-current borrowings	(12,200)		
	87,459		

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.

All amounts are in ₹ Lakhs unless otherwise stated

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. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, hypothecation of all rights, title and interests of the Company under all plant documents, contracts, insurance policies, permits/ approvals etc related to the plant, to which the Company is party and can be legally assigned and pledged 96,54,000 equity shares of Jajpur Cements Private Limited including CCD's and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director and corporate guarantee of Sagar Cements Limited.

13. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents and in the clearances. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares and Non Disposable Undertaking (NDU) for the balance shareholding of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.

14. Term loan is secured by first pari-passu charge on the property, plant and equipment (including 30 Acres of project lease land excluding mining land) owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents, excluding mining land. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second pari-passu charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.

15. This term loan is secured by first pari-passu charge on all the immovable fixed assets (present & future) and all the movable fixed assets (present and future) by way of Equitable mortgage, and first charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/ insurance proceeds of fixed assets.

16. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

17. 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 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, eight instalments were paid upto current year. The NCD's are secured by first pari-passu charge on the property, plant and equipment i.e., Land, Buildings, Plant & Machinery and Mining Equipment owned by or belonging to the Company both present and future, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director.

2. 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 Company has paid total outstanding during the current financial year. 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.

3. The Company has used the borrowings for the purposes for which it was taken.

15B Current borrowings (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
Cash credit facilities (Refer notes below)	19,547	17,974
Current maturities of non-current borrowings (Refer note 15A)	12,470	19,508
Total secured borrowings	**32,017**	**37,482**

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% to 9.25% p.a. (2021-22: 7.90% 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% p.a. to 9.00% p.a. (2021-22: 7.60% to 7.70% 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 8.75% p.a. (2021-22: 7.20% p.a. to 7.90% p.a.).

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 7.90% p.a. to 9.10% p.a. (2021-22: 7.90% p.a.).

5. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on

All amounts are in ₹ Lakhs unless otherwise stated

immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Managing Director. The loans are repayable on demand and carries interest @7.60% p.a. to 8.35% p.a. (2021-22: 7.60% p.a.).

6. The Company has availed cash credit facilities from Yes Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 8.15% p.a. to 9.80% p.a. (2021-22: 7.85% p.a. to 7.95% p.a.).

7. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and including EM of 30 acres of project lease land (mining land excluded), and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 7.80% p.a. to 9.25% p.a. (2021-22: 7.80%).

8. The Company has used the borrowings for the purposes for which it was taken.

9. 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, 2023	As at March 31, 2022
Non-current		
Security deposits received	8,708	6,568
Loan from others	193	193
Loans from related party	91	91
Total	**8,992**	**6,852**
Current		
Interest accrued but not due on borrowings	683	1,634
Unclaimed dividends (Refer note below)	48	55
Payables on purchase of property, plant and equipment	2,889	1,415
Other Payables	570	-
Total	**4,190**	**3,104**
Total other financial liabilities	**13,182**	**9,956**

Note:

As at March 31, 2023 (March 31, 2022 Rs. Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.

17 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity (Refer note 32)	888	582
Compensated absences (Refer note 32)	583	477
Total provisions	**1,471**	**1,059**
Non-current		
Gratuity	618	403
Compensated absences	411	348
Total	**1,029**	**751**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Gratuity	270	179
Compensated absences	172	129
Total	**442**	**308**

18 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (MSME)	431	214
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,449	21,885
Total	**30,880**	**22,099**

Trade payables ageing schedule for the year ended March 31, 2023 and March 31, 2022:

FY 2022-23:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	284	147	-	-	-	431
(ii) Others	9,659	13,536	169	60	337	30,449
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**13,820**	**16,494**	**169**	**60**	**337**	**30,880**

FY 2021-22:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	214	-	-	-	-	214
(ii) Others	18,595	2,942	21	50	277	21,885
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**18,809**	**2,942**	**21**	**50**	**277**	**22,099**

19 Other Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Liability for land restoration	249	229
Total	**249**	**229**
Current		
Advance from customers	5,315	6,709
Statutory remittances	2,525	3,569
Total	**7,840**	**10,278**
Total other liabilities	**8,089**	**10,507**

All amounts are in ₹ Lakhs unless otherwise stated

20 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from		
- Sale of cement and clinker (Refer note 40)	2,21,255	1,58,623
- Sale of power	1,037	711
Other operating income		
- Sale of scrap	331	298
- Insurance claims	211	45
- others	120	10
Total revenue from operations	**2,22,954**	**1,59,687**

21 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income on financial assets at amortised cost	20,272	1,182
Rent received from employees	21	19
Profit on sale of property, plant & equipment	35	-
Gain on sale of Investments	1,929	-
Liabilities no longer required written back	13	81
Net gain on foreign currency transactions and translation	-	60
Total other income	**22,270**	**1,342**

22 Cost of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	1,999	1,707
Add: Purchases	38,482	25,804
Add: Purchases on acquisition of subsidiary (Refer note 42)	52	-
Less: Closing stock	2,498	1,999
Total cost of materials consumed	**38,035**	**25,512**

Details of materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Limestone	10,117	7,994
Laterite	4,403	3,527
Iron-ore sludge	588	392
Gypsum	2,793	2,129
Fly ash	4,772	2,709
Clinker Purchased	4,564	257
Slag	4,627	3,274
Others	8,139	6,374
Less: Captive consumption	(1,968)	(1,144)
Total	**38,035**	**25,512**

All amounts are in ₹ Lakhs unless otherwise stated

23A Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cement	2,437	1,906
Total Purchase of stock-in-trade	**2,437**	**1,906**

23B Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year:		
Finished goods	1,471	729
Work-in-progress	4,847	703
	6,318	**1,432**
Inventories on acquisition of subsidiary: (Refer note 42)		
Finished goods	-	-
Work-in-progress	271	-
	271	**-**
Inventories at the end of the year:		
Finished goods	1,873	1,471
Work-in-progress	2,971	4,847
	4,844	**6,318**
Net decrease / (increase)	**1,745**	**(4,886)**

24 Employee benefits expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages, including bonus	8,164	7,612
Contribution to provident and other funds (Refer note 32)	788	787
Staff welfare expenses	982	746
Less: Employee benefits capitalised	-	(590)
Total employee benefit expenses	**9,934**	**8,555**

25 Finance cost

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	14,710	10,216
Less: Borrowing costs on qualifying assets capitalised	(222)	(3,516)
Interest on deposits from dealers	271	252
Interest on lease liability (Refer note 35)	30	43
Other borrowing cost	5,375	2,253
Total finance cost	**20,164**	**9,248**

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 2)	15,154	8,958
Depreciation on right of use assets (Refer note 4 and 35)	171	180
Amortisation of intangible assets (Refer note 3)	252	192
Less: Depreciation expenses capitalised	-	(59)
Total depreciation and amortisation	**15,577**	**9,271**

All amounts are in ₹ Lakhs unless otherwise stated

27 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Packing materials consumed	8,011	6,705
Stores and spares consumed	4,413	4,177
Repairs and maintenance		
Plant & equipment	2,903	2,406
Buildings	15	167
Others	1,276	1,195
Selling expenses	3,523	2,650
Expected credit loss allowances	293	202
Provision for incentives receivable from government	900	775
Provision for impairment on capital advances	400	-
Rent	217	173
Insurance	387	276
Rates and taxes	292	212
Expenditure on corporate social responsibility	280	255
Payment to Auditors	103	105
Travelling and conveyance	711	421
Security services	524	315
Donations and contributions	469	145
Legal and other professional	1,574	802
Administrative expenses	445	265
Printing and stationery	48	64
Communication	91	70
Net Loss on foreign currency transactions and translation	233	-
Net loss on fair value change in financial instruments	-	6
Directors sitting fees	46	46
Miscellaneous expenses	91	125
Loss on sale of asset	-	38
Total other expenses	**27,245**	**21,595**

28 Income tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Income tax recognised in the statement of profit & loss		
Current tax:		
In respect of the current year	2,946	3,056
	2,946	**3,056**
Deferred tax		
In respect of current year origination and reversal of temporary differences	(1,949)	1,488
MAT credit	-	(59)
	(1,949)	**1,429**
Total tax expense	**997**	**4,485**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax (A)	1,847	10,400
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	645	3,634
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(1,915)	(212)
Effect on expenses disallowed under Income Tax Act, 1961	1,547	539
Effect on change in depreciation and losses while filing Income tax return	11	-
Effect on change in Income tax rate	49	-
Effect of Tax paid at a lower rate	578	524
Others	82	-
Total	**352**	**851**
At the effective income tax rate	997	4,485
Total Tax expense	997	4,485

Movement in deferred tax assets and liabilities for the year 2022-23:

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect on business combination	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	21,890	217	-	15,438	-	37,545
Provision for employee benefits	(288)	(77)	7	-	-	(358)
Expected credit loss allowance	(385)	(102)	-	-	-	(487)
MAT credit entitlement	(9,002)	-	-	-	1,278	(7,724)
Carry forward unabsorbed depreciation and business losses	(3,620)	(1,580)	-	(22,070)	-	(27,270)
Others	(366)	(407)	-	111	-	(662)
Total Deferred tax liability (Net)	**8,229**	**(1,949)**	**7**	**(6,521)**	**1,278**	**1,044**

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

Particulars	Opening balance	(Recognised) / reversed through the statement of profit and loss	Recognised through other comprehensive income	Effect on business combination	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	19,052	2,838	-	-	-	21,890
Provision for employee benefits	(364)	7	69	-	-	(288)
Expected credit loss allowance	(314)	(71)	-	-	-	(385)
MAT credit entitlement	(8,943)	(59)	-	-	-	(9,002)
Carry forward unabsorbed depreciation and business losses	(2,576)	(1,044)	-	-	-	(3,620)
Others	(124)	(242)	-	-	-	(366)
Total Deferred tax liability (Net)	**6,731**	**1,429**	**69**	**-**	**-**	**8,229**

All amounts are in ₹ Lakhs unless otherwise stated

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2023	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(17,420)	20,126	37,546
Provision for employee benefits	15	(343)	(358)
Expected credit loss allowance	3	(484)	(487)
MAT credit entitlement	-	(7,725)	(7,725)
Carry forward business losses and depreciation	27,269	-	(27,269)
Others	(86)	(749)	(663)
Total	**9,781**	**10,825**	**1,044**

As at March 31, 2022	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(2,108)	19,782	21,890
Provision for employee benefits	(1)	(289)	(288)
Expected credit loss allowance	3	(382)	(385)
MAT credit entitlement	-	(9,002)	(9,002)
Carry forward business losses and depreciation	3,620	(340)	(3,960)
Others	26	-	(26)
Total	**1,540**	**9,769**	**8,229**

Income tax assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets (Net of provision of ₹ 4,849 (2021-22: ₹ 4,849)	440	480
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 1,191 (2021-22: ₹ 2,723)	1,421	1,275
Net Income tax liabilities	**(981)**	**(795)**

29. Contingent liabilities, corporate guarantees and capital commitments

a) Contingent Liabilities:

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

(i) Claims against the Group not acknowledged as debt:

Particulars	As at March 31, 2023	As at March 31, 2022
Direct taxes related	3,167	3,923
Indirect taxes related	1,251	1,323
Others	428	428

(ii) The Finance Minister of Government of India has announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts the Group took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,612 (As at March 31, 2022: ₹ 1,612) from July 2010 to September 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order the amount of ₹ 1,601 was reversed, but under protest. The balance of ₹ 11 pertains to penalty imposed by the department and disclosed in contingent liabilities under indirect taxes. As at March 31, 2023, the matter is pending before the central excise department and pending resolution, CENVAT credit has not been availed by the Group.

Notes to the Consolidated Financial Statements

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 group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2023	As at March 31, 2022
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	37,000
Andhra Cements Limited*	Term loan from State Bank of India		60,000	-
Total			**1,17,000**	**57,000**

* The Company has not yet executed the corporate guarantee in favour of State Bank of India as on March 31, 2023.

c) Capital Commitment:

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	8,563	7,386

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	431	214
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

All amounts are in ₹ Lakhs unless otherwise stated

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)(xx) to the financial statements.

A) Capital Management:

The group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the group consists of net debt (borrowings as detailed in Note 15 offset by cash and bank balances) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on a monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

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

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (Refer Note below)	1,47,496	1,50,619
Cash and cash equivalents and Other bank balances	21,048	16,269
Net debt	1,26,448	1,34,350
Total equity	1,68,893	1,30,944
Net debt to equity ratio	0.75	1.03

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

B) Categories of financial instruments:

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at amortised cost		
(i) Investments	-	31,468
(ii) Loans	101	-
(iii) Trade receivables	13,321	12,031
(iv) Cash and cash equivalents	17,491	14,306
(v) Other bank balances	3,557	1,963
(vi) Other financial assets	4,401	3,611
Total Financial assets	**38,871**	**63,379**

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	1,47,212	1,50,335
(ii) Trade payables	30,880	22,099
(iii) Lease liabilities	354	489
(iv) Other financial liabilities	13,182	9,956
Total Financial liabilities	**1,91,628**	**1,82,879**

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

C) Financial risk management objectives:

The group's corporate finance function monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The group seeks to minimize the effects of these risks by continues monitoring on day to day basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the group's management, which monitors risks and policies implemented to mitigate risk exposures.

D) Market risk:

The group's activities expose it primarily to the financial risk of changes in interest rates. The group seeks to minimize the effect of this risk by continues monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the group's: Profit for the year ended March 31, 2023 would decrease/increase by ₹ 737 (for the year ended March 31, 2022: decrease/increase by ₹ 753). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risks

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are no outstanding derivative instruments at the end of the current financial year.

E) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year. The credit risk on cash and bank balances,

All amounts are in ₹ Lakhs unless otherwise stated

derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F) Liquidity Risk Management:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has unutilised credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2023 and March 31, 2022. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing facilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Secured bills acceptance facility, reviewed annually		
- amount used	23,586	5,124
- amount unused	8,214	18,176
Total	**31,800**	**23,300**
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	19,547	17,974
- amount unused	11,153	9,226
Total	**30,700**	**27,200**
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	1,21,896	99,659
- amount unused	8,964	1,665
Total	**1,30,860**	**1,01,324**
Secured non-convertible debentures		
- amount used	5,769	32,702
- amount unused	-	-
Total	**5,769**	**32,702**

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	30,880	-	-
Lease liabilities	180	24	150
Other financial liabilities	4,190	780	8,212
Borrowings (including current maturities of non-current borrowings)	32,017	15,641	99,554

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	22,099	-	-
Lease liabilities	190	161	138
Other financial liabilities	3,104	670	6,182
Borrowings (including current maturities of non-current borrowings)	37,482	27,106	85,747

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

32. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The group makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 413 (2021-22: ₹ 393). In the financial year 2021-22, as the project was under implementation, provident fund expenditure of ₹ 33 relating to Jajpur Cements Private Limited and Sagar Cements (M) Private Limited transferred to CWIP.

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 51 (2021–22: ₹ 41).

Employee State Insurance

The group makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognised during the year aggregated ₹ 5 (2021–22: ₹ 4.67). In the financial year 2021-22, as the project was under implementation, employee state insurance expenditure of ₹ 0.44 relating to Sagar Cements (M) Private Limited transferred to CWIP.

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972 of India, the group provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The following table sets out the funded status of the gratuity plan and the amounts to be recognised in the financial statements as per actuarial valuation as at March 31, 2023 and March 31, 2022:

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.49% - 7.51%	7.33%
Expected rate of return on plan asset	7.01% - 7.36%	6.75% - 7.35%
Expected average remaining working lives of employees	16.22 - 22.34 years	16.69 – 22.62 years
Rate of escalation in salary	8% - 9%	8% - 10%
Attrition rate	9%	10%

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	165	215
Interest expense	99	96
Other adjustments	(7)	5
Expected return on plan assets	(68)	(62)
Defined benefit cost included in profit and loss	**189**	**254**
Re-measurement effects recognised in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial and experience adjustments	(45)	(212)
Return on plan assets (excluding interest income)	23	12
Components of defined benefit costs recognised in OCI	**(22)**	**(200)**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of funded defined benefit obligations	1,872	1,552
Fair value of plan assets	(984)	(970)
Net liability arising from defined benefit obligation	(888)	582

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Defined benefit obligation at the beginning of the year	1,552	1,560
Current service cost	165	215
Interest cost	99	96
Re-measurements - Actuarial gain	(45)	(212)
Benefits paid out of plan assets and by employer	(82)	(107)
Effect of business combination	184	-
Other adjustments	(1)	-
Defined benefit obligation at the year end	**1,872**	**1,552**

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within 1 year	270	180
1 – 2 years	251	199
2 – 3 years	186	201
3 – 4 years	209	142
4 – 5 years	167	167
5 – 10 years	767	623

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening fair value of the plan assets	970	904
Expected return on plan assets	70	63
Contributions from the employer	45	115
Benefits paid out of plan assets	(82)	(98)
Other adjustments	(1)	(1)
Re-measurement – Return on Assets (excluding interest income)	(18)	(13)
Fair value of plan asset at the year end	**984**	**970**

All amounts are in ₹ Lakhs unless otherwise stated

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, 2023		For the year ended March 31, 2022	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,620	1,806	1,323	1,478
Effect of 1% change in assumed salary rate	1,805	1,616	1,476	1,320
Effect of 1% change in assumed attrition rate	1,670	1,715	1,388	1,405

The group is expected to contribute ₹ 539 lakhs to its defined benefit plans during the next financial year.

Compensated absences:

The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate	7.49% - 7.51%	7.33%
Salary escalation rate	8 % - 9 %	8% - 9.30%
Attrition rate	9 %	10%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

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

33. Segment Reporting:

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has identified business segments as its reportable segment. No operating segments have been aggregated in arriving at the reportable segments of the Group. Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, plant and equipment is being allocated to reportable segment distinctly identified to power is allocated to power segment and remaining is allocated to cement segment.

During the year, the Company has combined the "Power generation" segment with the "Manufacturing of Cement" segment based on an assessment of operations by the Chief Operating Decision Maker (CODM). Accordingly, as at March 31, 2023, the Company had one business segment as per Ind AS 108 viz., Manufacturing of Cement

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Manufacturing of cement		Power generation		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	2,22,954	1,58,976		13,143	2,22,954	1,72,119
Less: Inter-segment revenue	-	-		12,432		12,432
Total	2,22,954	1,58,976		711	2,22,954	1,59,687
Segment result	22,011	18,427		39	22,011	18,466
Unallocable:						
- Finance Costs					20,164	9,248
- Interest income						(1,182)
Profit before taxes					1,847	10,400
Tax expense					(997)	(4,485)
Profit for the year					850	5,915

Particulars	Manufacturing of cement		Power generation		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Segment assets	3,82,327	2,38,622		30,424	3,82,327	2,69,046
Un-allocable assets						67,387
Total assets					3,82,327	3,36,433
Segment liabilities	2,13,434	41,964		222	2,13,434	42,186
Un-allocable liabilities						1,63,303
Total liabilities					2,13,434	2,05,489

Revenue from major Customers:

The Group is not reliant on revenues from transactions with any single external customer and did not receive 10% or more of its revenues from transactions with any single customer for the year ended March 31, 2023 and March 31, 2022.

34. Related Party Disclosures:

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

Name	Relationship
Key managerial personnel (KMP):	
Kolappa Thanu Pillai	Chairman of the Board of Directors (upto September 23, 2022)
K V Vishnu Raju	Chairman of the Board of Directors (w.e.f. September 24, 2022)
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director (w.e.f. May 11, 2022)
Valliyur Hariharan Ramakrishnan	Independent Director (upto March 29, 2023)
Ravichandran Rajagopal	Independent Director (w.e.f. March 27, 2023)
Rachana Sammidi	Director
John Eric Bertrand	Director
K. Prasad	Chief Financial Officer (CFO)
R. Soundararajan	Company Secretary (CS)

All amounts are in ₹ Lakhs unless otherwise stated

Name	Relationship
Relatives of KMP:	
S. Vanajatha	Mother of Dr. S. Anand Reddy and S. Sreekanth Reddy
S. Siddarth Reddy	Son of Dr. S. Anand Reddy
S. Sahithi	Daughter of Dr. S. Anand Reddy
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagar Power Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Sagarsoft (India) Limited	Enterprise where KMP along with their relatives exercise significant influence
AVH Resources India Private Limited	Enterprise where a director of Sagar Cements Limited is a director

Summary of the transactions with the above parties are as follows:

Nature of transaction	Party name	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of packing materials	Panchavati Polyfibres Limited	8,064	7,240
Purchase of property, plant and equipment	RV Consulting Services Private Limited	3,778	9,717
Rent expenses paid	Dr. S. Anand Reddy	41	41
	S. Sreekanth Reddy	41	41
	S. Vanajatha	41	41
	Total	123	123
Interest expense on loan	Sagar Power Limited	-	45
Loan taken repaid	Sagar Power Limited	-	900
Sale of property, plant and equipment	RV Consulting Services Private Limited	65	-
Legal and professional expenses	Sagarsoft (India) Limited	57	51
Reimbursement of expenses received	Sagarsoft (India) Limited	8	7
	RV Consulting Services Private Limited	12	13
	Panchavati Polyfibres Limited	10	4
	Sagar Power Limited	4	2
	Total	34	26
Payment of salary	S. Siddarth Reddy	7	4
	S. Sahithi	-	46
	Total	7	50
Dividend paid	S. Vanajatha	35	25
	RV Consulting Services Private Limited	56	40
	S. Siddarth	29	21
	Panchavati Polyfibres Limited	1	1
	AVH Resources India Private Limited	180	128
	Dr. S. Anand Reddy	46	33
	S. Sreekanth Reddy	43	31
	Rachana Sammidi	41	29
	Total	431	308

Compensation to key managerial personnel:

Nature of transaction	Party name	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term benefits	MD, JMD, CS and CFO	1,303	1,571
Sitting fee	Chairman, MD, JMD, CS, CFO and Directors	46	46

All amounts are in ₹ Lakhs unless otherwise stated

Outstanding balances:

Nature of transaction	Party name	As at March 31, 2023	As at March 31, 2022
Advances & deposits given	Sagar Power Limited	-	1
	RV Consulting Services Private Limited	5	13
	Total	**5**	**14**
Trade payables	Panchavati Polyfibres Limited	742	711
	Sagarsoft (India) Limited	5	-
	Total	**747**	**711**
Payable on purchase of property, plant and equipment	RV Consulting Services Private Limited	1,559	1
Capital advances	RV Consulting Services Private Limited	1,221	1,718
Rent Payable	Dr. S. Anand Reddy	4	-
	S. Sreekanth Reddy	4	-
	S. Vanajatha	4	-
	Total	**12**	**-**

35. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

The group lease asset classes primarily consist of leases for land and buildings. The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate.

The group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	1,334	1,116
Additions	17	398
Depreciation	(171)	(180)
Closing Balance	**1,180**	**1,334**

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortization expense in the statement of profit and loss.

All amounts are in ₹ Lakhs unless otherwise stated

The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	489	235
Additions	17	398
Finance cost accrued during the year	30	43
Payment of lease liabilities	(182)	(187)
Closing Balance	**354**	**489**

The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Non-current lease liabilities	174	299
Current lease liabilities	180	190
Total	**354**	**489**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on discounted basis

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within one year	180	190
After one year but not more than five years	73	191
More than 5 years	101	108

36. Earnings per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax (₹ in lakhs)	850	5,915
Weighted average number of equity shares outstanding (Refer Note 13(a))	12,94,04,886	11,75,00,000
Earnings per share:		
Basic and Diluted (in ₹)	0.66	5.03

37. Corporate social responsibility (CSR) activities:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group and the amount needs to be spent by the Group for the year is 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the group during the year	301	243
Amount of expenditure incurred	306	255
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

All amounts are in ₹ Lakhs unless otherwise stated

38. Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Principal place of business	Ownership held by	% of Holding and voting power held directly As at March 31, 2023	As at March 31, 2022
Jajpur Cements Private Limited	Subsidiary	India	Sagar Cements Limited	100%	100%
Sagar Cements (M) Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	India	Sagar Cements Limited	95%	-

39. Disclosure of additional information as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

As at and for the year ended March 31, 2023:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	99%	1,66,719	461%	3,922	86%	13	455%	3,935
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) (Subsidiary)	6%	10,096	(684%)	(5,810)	7%	1	(672%)	(5,809)
Jajpur Cements Private Limited (Subsidiary)	7%	12,577	391%	3,320	7%	1	384%	3,321
Andhra Cements Limited (Subsidiary)	21%	35,525	(48%)	(410)	-	-	(47%)	(410)
Adjustments arising out of consolidation	(30%)	(50,880)	222%	1,882	-	-	218%	1,882
Non-controlling interests	(3%)	(5,144)	(242%)	(2,054)	-	-	(238%)	(2,054)
Total	**100%**	**1,68,893**	**100%**	**850**	**100%**	**15**	**100%**	**865**

As at and for the year ended March 31, 2022:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	99%	1,29,411	175%	10,378	97%	127	174%	10,505
Sagar Cements (M) Private Limited (Formerly Known as Satguru Cement Private Limited) (Subsidiary)	12%	15,905	(48%)	(2,858)	2%	3	(47%)	(2,855)
Jajpur Cements Private Limited (Subsidiary)	7%	9,256	(26%)	(1,545)	1%	1	(26%)	(1,544)
Adjustments arising out of consolidation	(14%)	(18,227)	16%	940	(1%)	(1)	16%	939
Non-controlling interests	(4%)	(5,401)	(17%)	(1,000)	1%	1	(17%)	(999)
Total	**100%**	**1,30,944**	**100%**	**5,915**	**100%**	**131**	**100%**	**6,046**

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of intercompany transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

40. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per Contract price	2,52,371	1,96,517
Less: Discounts and incentives	(31,116)	(37,894)
Revenue as per statement of profit and loss	**2,21,255**	**1,58,623**

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

41. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

The Parent Company declares and pays dividend in Indian rupees. Companies are required to pay/ distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend (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, 2023	For the year ended March 31, 2022
Final dividend for FY 2020-21	-	2.50
Final dividend for FY 2021-22	0.70	-

During the year ended March 31, 2023, on account of the final dividend for the financial year 2021-22, the Parent Company has incurred a net cash outflow of ₹ 915.

The Board of Directors at their meeting held on May 10, 2023, recommended a final dividend of ₹ 0.70 per equity share of ₹ 2 each (35%) on the 13,07,07,548 equity shares of the Parent Company. This payment is subject to approval of the shareholders in the upcoming Annual General Meeting and if approved would result in the net cash outflow of approximately ₹ 915.

42. Business Combination

Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code 2016 the Resolution Plan submitted by the Parent Company in respect of the corporate insolvency resolution process of Andhra Cements Limited ("ACL") has been approved by the Hon'ble National Company Law Tribunal, Amaravati Bench ("NCLT") on February 16, 2023.

ACL is mainly engaged in the manufacturing of cement and has two manufacturing units located at Dachepalli, Andhra Pradesh and Visakhapatnam, Andhra Pradesh.

Post completion of the resolution process under the supervision of the monitoring committee (MC) which was constituted as per the mandate given in NCLT order, the Company obtained control of Andhra Cements Limited with effect from March 18, 2023, post dissolution of MC.

All amounts are in ₹ Lakhs unless otherwise stated

In accordance with the Resolution Plan, the Company has subscribed to 95% of the reconstituted paid-up share capital of ACL for an aggregate amount of ₹ 32,223 and remaining 5% of the reconstituted paid-up share capital of ACL is held by existing public shareholders.

In accordance with Ind AS 103 "Business Combination", purchase consideration has been allocated on a provisional basis, pending final determination of the fair value of assets acquired and liabilities assumed. The resulting difference has been accounted as capital reserve. The financial statements include the results of ACL from March 18, 2023 to March 31, 2023.

The provisional amounts of identifiable assets and liabilities value of the identifiable assets and liabilities of ACL as at the date of acquisition and purchase consideration is as below:

Particulars	Amount (₹)	Amount (₹)
Consideration paid		32,223
Assets		
Non-current	81,350	
Current	7,402	
	88,752	
Liabilities		
Non-current	50,996	
Current	1,822	
	52,818	
Less: Net assets of Andhra Cements Limited as on March 17, 2023		35,934
Less: Non-controlling interest as on March 17, 2023		1,797
Provisional gain on Bargain purchase		**1,914**

43. The Board of Directors of the Company in their meeting on January 28, 2022 approved the proposed Scheme of Amalgamation of its wholly owned subsidiary Jajpur Cements Private Limited (JCPL) with the Company subject to necessary approval from the authorities concerned under section 230 and 232 of the Companies Act 2013. Upon approval of the Scheme from the concerned authorities, the undertakings of Jajpur Cements Private Limited shall get transferred to and vested in the Company with the Appointed Date of April 01, 2022 or such other date as the Hon'ble National Company Law Tribunal may approve. Pending such approval, the financial statements of the Company for the year ended March 31, 2023 are presented without giving effect to the said merger.

44. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the parent Company increased from ₹ 2,350/- to ₹ 2,614/-, divided into 13,07,07,548 equity shares of ₹ 2/- each.

45. Capital Work-in-Progress:

(a) Capital Work-in-Progress ageing:

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	7,877	1,903	81	57	9,918

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	6,785	2,613	629	23	10,050

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

(b) Capitalisation of expenditure:

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress (CWIP) in the course of its construction.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenditure during construction for projects		
Raw materials consumed	-	984
Power and fuel consumed	-	1,070
Employee benefits expense	-	590
Rates and taxes	-	72
Depreciation	-	59
Finance costs	221	3,516
Miscellaneous expenses	-	1,321
Total expenditure during construction for projects	**221**	**7,612**
Less: Sale of products / Other income	-	(2,164)
Add: Balance at the beginning of the year	**628**	**3,868**
Less: Capitalised during the year	(565)	(8,688)
Closing balance included in CWIP	**284**	**628**

Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

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46. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2023	Transactions during the year ended March 31, 2022	Balance outstanding as at March 31, 2023*	Balance outstanding as at March 31, 2022*
Marble Estate India Limited	Customer	Sale of cement	-	-	(0.13)	(0.13)
Keller Ground Engineering India Private Limited			-	-	(2.00)	(2.00)
Target Fabrication & Constructions Private Limited			3.92	-	(0.10)	(0.10)
Sudarshan Construction			1.80	-	-	-
Shagun Ashiyana Private Limited			1.80	-	-	-
Ninad Holding Private Limited	Shareholders of Andhra Cements Limited	-	-	-	171 No's	-
Fairgrowth Investments Limited		-	-	-	34 No's	-
Cosmat Investments Private Limited		-	-	-	20 No's	-
Skyline Promoters Private Limited		-	-	-	15 No's	-
LYNX Mutual Funds Limited		-	-	-	13 No's	-
Rockland Leasing Limited		-	-	-	12 No's	-
Baps (India) Trading Private Limited		-	-	-	11 No's	-
Micronet Software Services Private Limited	Shareholders of Andhra Cements Limited	-	-	-	10 No's	-
Silver Arrow Investments Private Limited		-	-	-	9 No's	-
Victor Properties Private Limited		-	-	-	6 No's	-
Devika Constructions Private Limited		-	-	-	5 No's	-
Paul Dey & Company Private Limited		-	-	-	4 No's	-
Suphala Plantations India Limited		-	-	-	4 No's	-
Sukam Financial Services Private Limited		-	-	-	3 No's	-
GPS Commercial Private Limited		-	-	-	3 No's	-
Sindhudurg Investments Private Limited		-	-	-	3 No's	-
HI-LEA Finance Limited		-	-	-	3 No's	-
Victor Properties Private Limited		-	-	-	1 No	-
Aravali Commercial Private Limited		-	-	-	1 No	-
Mifco Credits & Securities Limited		-	-	-	1 No	-
Prananjali Investment & Trading Co Private Limited		-	-	-	1 No	-
Baps (India) Trading Private Limited		-	-	-	1 No	-
Rajendra Mercantile Private Limited		-	-	-	1 No	-
Rohifin Investment Private Limited		-	-	-	1 No	-
Small Lots Services Limited		-	-	-	1 No	-
HPM Investments Limited		-	-	-	1 No	-
Balbir Leasing Private Limited		-	-	-	1 No	-
Kay Bee Finvest Private Limited		-	-	-	1 No	-

Notes to the Consolidated Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

47. 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 Group 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.

48. Other statutory information

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

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

(iii) The Subsidiary Companies has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Parent Company and Subsidiary 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 Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

(vi) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

49. These consolidated financial statements were approved by the Company's Board of Directors on May 10, 2023.

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

Notice

Notice is hereby given that the 42nd Annual General Meeting of the Members of Sagar Cements Limited will be held on Wednesday, the 28th June, 2023 at 3.00 p.m. through Video Conference ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

Ordinary Business

1. To receive, consider, approve and adopt the audited stand-alone and consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 together with the Reports of the Directors and Auditors thereon and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that the audited stand-alone Financial Statements of the Company for the year ended 31st March, 2023 together with the reports of the auditors and directors thereon and the audited Consolidated Financial Statements of the Company for the year ended 31st March, 2023 together with the report of the auditors thereon be and are hereby received, considered, approved and adopted."

2. To declare dividend @ Rs.0.70 per share (35%) on the equity shares of the company for the financial year 2022-23 and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that a dividend of Rs.0.70 per share (35%) on the 13,07,07,548 equity shares of Rs.2/- each of the company be and is hereby declared for the Financial Year ended 31st March, 2023."

3. To re-appoint Shri S.Sreekanth Reddy (DIN: 00123889), who retires by rotation as director and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that Shri S.Sreekanth Reddy (DIN: 00123889) who retires by rotation as director in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

4. To re-appoint Mrs.S.Rachana (DIN: 01590516), who retires by rotation as director and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "Resolved that Mrs.S.Rachana (DIN: 01590516) who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

Special Business

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

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

   "Resolved that pursuant to Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval accorded by the Board of Directors of the company for payment of remuneration of Rs. 9,50,000/- plus reimbursement of applicable taxes, travelling and other out of pocket expenses, if any, to M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, the Cost Auditors (Firm Registration No.000042), to conduct the audit of the cost records of the company for the financial year ending March 31, 2024 be and is hereby ratified."

By Order of the Board of Directors

R.Soundararajan
Company Secretary
M.No.F4182

Hyderabad
10th May, 2023

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Notes:

1. This Annual General Meeting is convened through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") pursuant to General Circular number 14/2020 dt.8.4.2020, 17/2020 dt.3.4.2020, 20/20 dt.5.5.2020, 28/2020 dt.17.8.2020, 02/2021 dt.13.1.2021, 19/2021 dt.8.12.2021, 21/2021 dt.14.12.2021, 02/2022 dt.5.5.2022 and 10/2022 dt.28.12.2022 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular Nos.SEBI/HO/CFD/CM2/CIR/P/2022/62, dt.13.5.2022 and SEBI/HO/CFD/PoD-2/P/2023/4, dt.5.1.2023 which allows the companies to hold the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue.

2. In compliance with applicable provisions of the Companies Act, 2013 ("Act") read with the MCA Circulars and SEBI Circulars, the 42nd Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means ("VC / OAVM") (hereinafter referred to as "AGM' or "e-AGM"). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the e-AGM.

3. e-AGM: The Company has appointed M/s KFin Technologies Limited ("KFIN"), Registrar and Transfer Agent of the Company, as the authorized agency to provide the VC/ OAVM facility for conducting AGM electronically and for voting through remote e-voting or through e-voting at the e-AGM.

4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM.

5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at **cs@bssandassociates.com** with a copy marked to **evoting@kfintech.com** and company's email id at **info@sagarcements.in.**

6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the special business under Item No. 5 of the accompanying Notice, is given in the Annexure-1. The Board of Directors of the Company at its meeting held on 10th May, 2023 considered all the businesses mentioned in the notice of the AGM as being unavoidable, and needed to be transacted at the 42nd AGM of the Company.

7. The relevant details required to be given under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment / re-appointment at this AGM are given in the Annexure-2.

8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having office at Selenium Building, Tower B, Plot Number 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana - 500032.

9. **Attendance at the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at https://evoting.kfintech.com by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No.20 below. Kindly refer to Note No.19 below for detailed instructions for participating in the e-AGM through Video Conferencing.

10. The Members can join the e-AGM 15 minutes before the meeting or within 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.

11. As per the MCA Circular, facility of joining the e-AGM through VC/OAVM shall be available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

12. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such

member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 (the Act).

13. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Limited. Kindly refer Note No.20 below for detailed instruction for remote-voting.

14. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note No.21 below for instruction for e-voting during the AGM.

15. The Company has fixed 20th June, 2023 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.

16. The Register of Members and Transfer Book of the Company will be closed from 21st June 2023 to 28th June 2023 (both days inclusive).

17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Integrated Report for the financial year ended 31st March, 2023 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice calling the AGM and the Integrated Report has been uploaded on the website of the Company at https://sagarcements.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at https://www.bseindia.com and National Stock Exchange of India Limited at https://www.nseindia.com. The same is also available on the website of KFin Technologies Limited at their website address https://evoting.kfintech.com.

18. **Procedure for registering the email addresses and obtaining the Integrated Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).**

    i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

    a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.

    b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail request at the email ID **einward.ris@kfintech.com** along with scanned copy of the duly signed request letter by the first holder providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Integrated Report, AGM Notice and the e-voting instructions.

    ii. Those members who have not registered their email and in consequence the Integrated Report, Notice of e-AGM and e-voting notice could not be served, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Limited by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Integrated Report, Notice of e-AGM and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to **einward.ris@kfintech.com.**

    iii. Those members who have registered their e-mail address, mobile no., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case of shares held in physical form.

19. **Instructions to the Members for attending the e-AGM through Video Conference.**

    i. **For attending the e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited. Members may login into its website link https://emeetings.kfintech.com/loginv2.aspx by using the remote e-voting credentials. After logging in, click on "Video Conference" option and the Name of the Company can be selected.

    ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-voting in Note No.20 below.

    iii. Members are encouraged to join the Meeting through Desktops, Laptops, Smart phones, Tablets and iPads with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22 for better experience.

    iv. Further, Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

    v. Please note that participants using Mobile Devices or Tablets or Laptops or accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

    vi. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.

    vii. **Submission of Questions / Queries prior to e-AGM:**

    a) Members desiring any additional information with regard to Accounts/ Integrated Report or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e., **soundar@sagarcements.in** or **info@sagarcements.in** and marking a copy to **evoting@kfintech.com** mentioning their name, DP ID- Client ID/Folio number at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members' questions will be answered only if they continue to hold the shares as of cut-off date.

    b) Alternatively, shareholders holding shares as on cut-off date can also post their questions by logging on to the link https://emeetings.kfintech.com/loginv2.aspx, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

    viii. **Speaker Registration before e-AGM:** In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit https://emeetings.kfintech.com/loginv2.aspx and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No.19 (vii) above.

    ix. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to **soundar@sagarcements.in** or **info@sagarcements.in.**

20. **Instructions for members for remote e-Voting:** In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Limited ('remote e-voting'). Members attending the e-AGM who have not already cast their vote by remote e-voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

    However, in pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts

/ websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

i. The remote e-voting facility will be available during the following period:

   a. Day, date and time of commencement of remote e-voting 24th June 2023 (9.00 A.M. IST) and ends on 27th June 2023 (5.00 P.M. IST).

   b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed 27th June 2023 at 5:00 P.M.

ii. Details of Website: https://evoting.kfintech.com

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being 20th June 2023. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Integrated Report to the shareholders whose name is recorded as on 2nd June 2023 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 2nd June 2023 being the date reckoned for sending through email, the AGM Notice & Integrated Report and who holds shares as on the cut-off date i.e. 20th June 2023 may obtain the User Id and password in the manner as mentioned below:

   a) If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS:MYEPWD <space> 'e-voting Event Number + Folio number or DP ID Client ID to +91-9212993399.

   Example for NSDL:
   MYEPWD<SPACE>IN12345612345678

   Example for CDSL:
   MYEPWD<SPACE>1402345612345678

   Example for Physical:
   MYEPWD<SPACE>XXXX1234567890

   b) If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of https://evoting.kfintech.com, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   c) Member may call KFin's Toll free number 1800-3094-001. Member may also send an e-mail request to **evoting@kfintech.com**.

v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Limited upon expiry of aforesaid period.

vi. Details of persons to be contacted for issues relating to e-voting:

   Mr. K.Raj Kumar, Assistant Vice President-Corporate Registry, KFin Technologies Limited, Unit: Sagar Cements Limited, Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032. Contact Toll Free No.: 1800-3094-001.

vii. Details of Scrutinizer: Shri S.Srikanth, Practicing Company Secretary (M.No.22119) of M/s. B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

viii. A Member can opt only for single mode of voting i.e., through remote e-voting or voting at the e-AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and vote at the e-AGM shall be treated as invalid.

ix. The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' Section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-voting" Click on company name or e-voting service provider and you will be re-directed to e-voting service provider's website for casting the vote during the remote e-voting period. **2. User not registered for IDeAS e-Services** To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1 **3. Alternatively by directly accessing the e-Voting website of NSDL** Open URL: https://www.evoting.nsdl.com Click on the icon "Login" which is available under 'Shareholder/Member' Section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will requested to select the name of the company and the e-voting Service Provider's name, i.e. KFintech. On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** Visit URL: https://web.cdslindia.com/myeasinew/home/login Or URL: https://www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFintech e-voting portal. Click on e-Voting service provider's name to cast your vote. **2. User not registered for Easi/Easiest** Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or e-voting service provider's name - **KFintech** and you will be redirected to e-voting website of **KFintech** for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at 022-23058738 or 022-23058542-43

ix. The procedure and instructions for remote e-voting facility for shareholders other than individual shareholders holding securities in demat mode and shareholders holding shares in physical mode are provided as follows:

a. Open your web browser during the remote e-voting period and navigate to 'https://evoting.kfintech.com'.

b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

c. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

d. You need to login again with the new credentials.

e. On successful login, the system will prompt you to select the e-voting Event Number for Sagar Cements Limited.

f. If you are holding shares in Demat form and had logged on to https://evoting.kfintech.com and casted your vote earlier for any other Company, then your existing login id and password are to be used.

g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e., 20th June 2023 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.

h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

i. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.

l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).

m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: **cs@bssandassociates.com** with a copy to **evoting@kfintech.com** and **info@sagarcements.in**. They shall upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download Section of https://evoting.kfintech.com or contact Mr.K.Raj Kumar, Assistant Vice President of KFin Technologies Limited at 1800- 3094-001 (toll free).

n. The Scrutinizer's decision on the validity of the vote shall be final.

o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.

p. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same, who shall, based on the Scrutinizer's report declare the results not later than two working days of conclusion of the e-AGM.

q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. https://sagarcements.in and on the website of KFin Technologies Limited i.e. https://evoting.kfintech.com. The results shall simultaneously be communicated to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

r. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

21. Instructions for members for Voting during the e-AGM session

i. The e-voting window shall be activated upon instructions of the Chairman of the meeting during the e-AGM.

ii. e-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.

iii. Members / shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through Remote e-voting alone shall be eligible to cast their vote through e-voting system available during the e-AGM.

iv. Members who have voted through Remote e-voting will be eligible to attend the e-AGM. However, they shall not be allowed to cast their vote again during the e-AGM.

General instructions and information for shareholders

22. As per the Central Board of Direct Taxes (CBDT), it is mandatory to link PAN with Aadhaar number by March 31, 2023. Post March 31, 2023 or any other date as may be specified by the CBDT, RTAs shall accept only valid PANs and the ones which are linked to the Aadhar number. The folios in which PAN is / are not valid as on the notified cut-off date of March, 31, 2023 or any other date as may be specified by the CBDT, shall also be frozen.

23. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

The shareholders are requested to update their PAN with the Company / KFin Technologies Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to **soundar@sagarcements.in** or **info@sagarcements.in** by 5.00.p.m IST on 20th June 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the RTA / Company. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00.p.m IST on 20th June 2023.

24. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall

be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members / claimants whose shares, unclaimed dividend etc. have been transferred to IEPF may claim the shares and dividend or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on **https://www.iepf.gov.in/IEPF/corporates.html** along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

25. Members who have not yet encashed the dividend warrants in respect of the dividend declared for subsequent years as detailed below are requested to make their claims to the Company or Company's Registrar and Share Transfer Agent.

Year	Nature of Dividend	Rate of Dividend on share of par value of Rs.10/- each	Rate of Dividend on share of par value of Rs.2/- each
2016-17	Final	15% (Rs.1.50 per share)	
2017-18	Interim	25% (Rs.2.50 per share)	
2017-18	Final	15% (Rs.1.50 per share)	
2018-19	Final	25% (Rs.2.50 per share)	
2019-20	Final	25% (Rs.2.50 per share)	
2020-21	Two Interim Dividends		Each at 20% (Rs.2/- per share)
2020-21	Final		25% (Rs.2.50 per share)
2021-22	Final		35% (Rs.0.70 per share)

26. The details of dividend lying unclaimed in respect of these years are available in the website of the Company at https://sagarcements.in and website of the Ministry of Corporate Affairs at https://www.iepf.gov.in. Members are requested to contact KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company at the address mentioned in Note No. 8 to claim the unclaimed / unpaid dividends.

    It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company up to the Interim Dividend issued for the financial year 2015-2016, have already been transferred to IEPF.

27. The dividend(s), if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid to the eligible members as per the mandate registered with the Company or with their respective Depository Participants.

28. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft as the case may be to such Member.

29. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within 30 days from the date of AGM, subject to deduction of tax at source, as under:

i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on 20th June 2023.

ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on 20th June 2023.

30. Updation of Members' details: Pursuant to the SEBI Circular No(s). SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, KYC details, Nomination details, bank mandate details for payment of dividend etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFintech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

    The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to KFin Technologies Limited.

    Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS), they should update their NECS / ECS details with the Company's Registrar and Share Transfer Agents i.e., KFin Technologies Limited (for the shares held in physical form) and their respective Depository Participants (for the shares held in electronic form).

    Members who are holding the shares in physical form are requested to execute the ISR Form-1 & ISR Form-2 to update the changes, if any, in their registered address, signature, contact details, Bank Mandate etc., and to update their PAN number, Phone number, Email address, demat account details etc., and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

    Members can execute the Form No. SH-13, Form ISR-3 & Form No. SH-14 in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 for registration of nomination, declaration Form for opting-out of Nomination and cancellation or variation of nomination respectively and send to the Company's Registrar and Share Transfer Agents indicating their Folio number therein at the address mentioned in Note No. 8.

    The requisite ISR Forms and nomination forms can be downloaded from the website of the Company at https://sagarcements.in & also from the website of its Registrar and Share Transfer Agents i.e., KFin Technologies Limited at https://ris.kfintech.com/clientservices/isc/default.aspx.

    Members holding shares in electronic form are therefore, requested to furnish their details to their respective Depository Participant ("DP") with whom they are maintaining their demat accounts for updating their PAN, KYC details, Nomination and Bank mandate details etc.

31. The members / investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' e-mail id: **einward.ris@kfintech.com** or to the Company's official e-mail id: **info@sagarcements.in**.

32. The information/documents referred to in the Notice and the Explanatory statement with regard to the accounts or any other matter to be placed at the AGM are available for inspection up to the date of AGM and members are also requested to write to the Company on or before 20th June 2023 through email to **info@sagarcements.in** for seeking information, If any, and the same will be replied by the Company suitably.

33. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

34. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification No. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission and Transposition etc). In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice for dematerializing the same. Members may also contact the Company or its Registrars and Transfer Agents, KFin Technologies Limited (KFIN) for assistance in this regard.

35. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. Letter of Confirmation in lieu of consolidated share certificate will be issued to such Members after making the requisite changes for dematerializing said shares.

36. Members may note that the Integrated Report for the year 2022-23 is also available on the Company's website https://sagarcements.in for their download.

37. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the 42nd AGM and facility for those Members to participate in the AGM to cast vote through e-voting system during the AGM.

38. Only a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or casting vote through e-Voting system during the meeting.

39. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.

40. During the 42nd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the e-AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the e-AGM.
41. The transcript of this meeting, shall be made available on the website of the company.
42. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at https://sagarcements.in and on the website of KFin Technologies Limited at https://evoting.kfintech.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to National Stock Exchange of India Limited, Mumbai and BSE Limited, Mumbai.
43. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to this Notice.

By Order of the Board of Directors

Hyderabad
10th May, 2023

R.Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Annexure to the Notice of the 42nd Annual General Meeting

Annexure 1

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

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.5 of the accompanying Notice dated 10th May, 2023.

On Item No.5

The Board, on the recommendation of its Audit Committee, has approved the appointment of M/s.Narasimha Murthy & Co., Cost Accountants as the Cost Auditors for the Financial Year 2023-24 and payment of remuneration to the said Cost Auditors as mentioned in the resolution for the year 2023-24.

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

Accordingly, an Ordinary Resolution as set out at Item No.5 of the Notice containing the remuneration as fixed for Cost Auditors is submitted for ratification by the members.

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

Your directors recommend the resolution for approval of the shareholders.

By Order of the Board of Directors

Hyderabad
10th May, 2023

R.Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10
Jubilee Hills, Hyderabad – 500 033, Telangana.

Annexure 2

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2)

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Name of the Director	Shri S.Sreekanth Reddy	Mrs. S.Rachana
DIN	00123889	01590516
Date of birth	27.08.1971	04.08.1975
Age	51 years	47 years
Qualification	B.E. (I & P) and PG Diploma in cement technology	B.Sc.,
Experience in specific functional areas	Corporate Executive	Corporate Executive
Date of first appointment on the Board	26.06.2003	18.03.2015
Nature of Appointment	Retires by rotation and being eligible offers himself for re-appointment	Retires by rotation and being eligible offers herself for re-appointment
Terms and Conditions of Appointment / Reappointment	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013	Appointment as a director subject to retirement by rotation under Section 152 of the Companies Act, 2013
Directorships in other Companies (other than listed companies)	1. Sagar Power Limited 2. Sagar Priya Housing and Industrial Enterprises Ltd. 3. Sree Venkateswara Winery and Distillery Private Limited 4. Super Hydro Electric Private Limited 5. Sagar Cements (M) Private Limited 6. Jajpur Cements Private Limited.	1. R V Consulting Services Private Limited
Directorships in other Listed Companies	1. Sagarsoft (India) Limited 2. Andhra Cements Limited	1. Andhra Cements Limited
Names of Listed Companies from which he/she has resigned in the past three years	NA	NA
Membership/Chairmanship of Committees of other Boards	Member of Audit Committee in Sagar Cements (M) Private Limited	Nil
Membership of Audit / Stakeholders Relationship Committees of Public Limited Companies	Member of Audit Committee in Andhra Cements Limited	Nil
No. of shares held including shareholding as a beneficial owner in Sagar Cements Limited	61,97,015 (4.74%)	1,38,47,905 (10.6%)
Number of Board Meetings attended	8	8
Details of Remuneration last drawn	The present proposal is for re-appointment as a director liable to retire by rotation. However, he was paid a remuneration of ₹ 5,59,00,000/- as Joint Managing Director, as has already been approved by the shareholders for his current tenure as Joint Managing Director	No remuneration is proposed over and above the sitting fee
Remuneration sought to be paid		No remuneration is proposed over and above the sitting fee
Inter-se relationship with other Directors and KMP of the Company	Related to Dr.S.Anand Reddy, Managing Director and Mrs.S.Rachana, Non-Executive Director	Related to Dr.S.Anand Reddy, Managing Director and Shri S. Sreekanth Reddy, Joint Managing Director

By Order of the Board of Directors

Hyderabad
10th May, 2023

R.Soundararajan
Company Secretary
M.No.F4182

Registered Office:
Plot No.111, Road No.10, Jubilee Hills,
Hyderabad – 500 033, Telangana.

Annexure to the 42nd Integrated Annual Report for the year 2022-23

Form No. MR-3
Secretarial Audit Report

For the Financial Year ended on March 31, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(x) Factories Act, 1948;

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

(xii) Maternity Benefits Act, 1961;

(xiii) Minimum Wages Act, 1948;

(xiv) Negotiable Instruments Act, 1881;

(xv) Payment of Bonus Act, 1965;

(xvi) Payment of Gratuity Act, 1972;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: A022119E000281477

Place: Hyderabad
Date: 10th May, 2023

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

Annexure-A

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

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

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

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

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

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

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

6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

S.Srikanth
Partner
ACS No.: 22119
C.P. No.: 7999
UDIN: A022119E000281477

Place: Hyderabad
Date: 10th May, 2023

Corporate information

Board Of Directors

Shri. K V Vishnu Raju
Chairman, Independent Director

Dr. S. Anand Reddy
Managing Director

Shri S. Sreekanth Reddy
Joint Managing Director

Smt. S. Rachana
Non-Executive Director

Shri. Ravichandran Rajagopal
Independent Director

Smt. O. Rekha
Independent Director

Shri. John Eric Bertrand
Non-Executive Director

Smt. N. Sudha Rani
APIDC Nominee Director

Shri Madhavan Ganesan
PI opportunities Fund-I Scheme II,
Nominee Director

Shri. Jens Van Nieuwenborgh
Alternate Director to Shri John-Eric Bertrand

Company Secretary

Shri. R. Soundararajan

Chief Financial Officer

Shri. K. Prasad

Senior Management Team

Shri. K. Ganesh
Group President

Shri. Rajesh Singh
Chief Marketing Officer

Shri. O. Anji Reddy
Chief Sustainability Officer

Shri Sanjay Singh
Chief Risk Officer

Shri M.V. Ramana Murthy
Sr. Vice President - Mattampally

Shri. E. P. Ranga Reddy
Asst. Vice President - Gudipadu

Shri. K. Srinivasa Rao
Sr. General Manager - Bayyavaram

Shri K. Srinivasa Rao
Vice President - Jeerabad

Shri G Prasad Babu
Deputy General Manager - Jajpur

Shri P Biksha Reddy
Vice President - Dachepalli

Auditors

M/s. Deloitte Haskins & Sells
Chartered Accountants (FR NO. 008072S)
KRB Towers, Plot No. 1 to 4 & 4A, 2nd & 3rd Floor
Jubilee Enclave, Madhapur, Hyderabad-500 081

Cost Auditors

M/s. Narasimha Murthy & Co.,
Cost Accountants (FR No. 000042)
104, Pavani Estates, Y. V. Rao Mansion
Himayatnagar, Hyderabad – 500 029

Registered Office

Plot No. 111, Road No. 10, Jubilee Hills
Hyderabad-500 033. Tel: 040 – 23351571
Fax: 040 – 23356573
Website: www.sagarcements.in
e-mail: info@sagarcements.in

Corporate Identity Number
L26942TG1981PLC002887

Bankers

SBI
YES BANK
FEDERAL BANK
AXIS BANK
HDFC BANK
IFC International Finance Corporation

Debenture Trustees

1. IDBI Trusteeship Services Limited
   Universal Insurance Building,
   Ground Floor, Sir P.M. Road,
   Fort, Mumbai - 400001

Plants

Cement Plants

1. Mattampally, Via Huzurnagar
   Suryapet District, Telangana-508 204
   Tel: 08683 – 247039
2. Gudipadu, Gudipadu Village and Post
   Yadaki Mandal, Ananthapur District, Andhra Pradesh-515408
   Tel: 08558 – 200272
3. Bayyavaram Village, Kasimkota Mandal
   Visakhapatnam District, Andhra Pradesh-531031
   Tel: 08924 – 244098 / 244550
4. Karondiya (Village),
   Post-Jeerabad, Tehsil-Gandhwani,
   Dhar District, Madhya Pradesh - 454446.
5. Kalinga Nagar Industrial Complex,
   Tehsil-Dangadi, Jajpur District, Odisha - 755026
6. Durgapuram, Srinagar Post, Dachepalli Mandal,
   Palnadu District, Andhra Pradesh - 522414.
7. Parlupalem Village, Durganagar Post,
   Visakhapatnam, Andhra Pradesh - 530029.

Hydel Power Units

1. **Guntur Branch Canal Hydel Project**
   Tsallagundla Adda Road, Nekarikallu Mandal
   Guntur District, Andhra Pradesh-522 615
2. **Lock-in-Sula Hydel Project**
   Banumukkala Village, Banakacherla Regulator
   Pamulapadu Mandal, Kurnool District,
   Andhra Pradesh-518 422

Sagar Cements Limited

Registered and
Administrative Office
Plot No. 111, Road No. 10
Jubilee Hills, Hyderabad - 500 033
Phone : +91 40 23351571
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