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
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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
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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
DIN: 00123870

S. Sreekanth Reddy
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DIN: 00123889

R. Soundararajan
Company Secretary
M. No. F4182

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 10, 2023

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 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

All amounts are in ₹ Lakhs unless otherwise stated

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.

Notes to the 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.

Notes to the Standalone Financial Statements

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**

Notes to the Standalone Financial Statements

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.

Notes to the Standalone Financial Statements

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.

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

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.

Notes to the Standalone Financial Statements

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.

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**

Notes to the Standalone Financial Statements

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**

Notes to the Standalone Financial Statements

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

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.	-	-

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:

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

All amounts are in ₹ Lakhs unless otherwise stated

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.

All amounts are in ₹ Lakhs unless otherwise stated

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**

Notes to the Standalone Financial Statements

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

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.

Notes to the Standalone Financial Statements

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.

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.

Notes to the Standalone Financial Statements

All amounts are in ₹ Lakhs unless otherwise stated

44. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 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