



INDEPENDENT AUDITOR'S REPORT

To The Members of **Sagar Cements Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sagar Cements Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("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 Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of

Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue from Operations – Sales made to trade customers/dealers from godown/warehouse: (Refer Note 19 to the consolidated financial statements)</p> <p>Revenue from sale made to trade customers/dealers from godown/warehouse is recorded at the time of dispatch based on sales order raised which are backed by orders taken by the field sales officers. In addition, confirmation from such trade customers/dealers are obtained on dispatch of goods.</p>	<p>Principle audit procedures performed included the following:</p> <ul style="list-style-type: none"> ◆ Evaluated the Group's accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). ◆ Obtained an understanding of the management's process and evaluated the design and tested the implementation and operating effectiveness of the Group's internal financial controls over the revenue recognition process. ◆ The Group recognises the revenue upon the dispatch of goods to the customer in the ERP. Accordingly, we have tested the General Information Technology Controls around the ERP.



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Sr. No. Key Audit Matter	Auditor's Response
<p>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 acknowledgement on dispatch. We have identified the occurrence of sales from godown / warehouse to trade customers / dealers as a Key Audit Matter.</p>	<ul style="list-style-type: none"> ◆ Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. ◆ Performed reconciliation of sales recorded with statutory records of the Group. ◆ Compared the sales made to trade customers/dealers from godown/warehouse with the historical sales to identify any significant fluctuations at customer level and inquired with the management on appropriateness of revenue recorded.

Information Other than the Financial Statements and Auditor's Report Thereon

- ◆ The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, Report on Corporate Governance and Business Responsibility & Sustainability Report, including Annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- ◆ Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- ◆ In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information, so far as it relates to subsidiaries, is traced from their audited financial statements.
- ◆ If, based on the work we have performed, we conclude that there is a material misstatement of this other information,

we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our



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opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

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

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 of the aforesaid consolidated financial statements.



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- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group, including relevant records so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 29 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by Parent and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us to the best of their knowledge and belief, as disclosed in the note 50(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us to the best of their knowledge and belief, as disclosed in the note 50(v) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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.



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(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with Section 123 of the Act, as applicable.

The Parent has not proposed final dividend for the year.

vi) Based on our examination which included test checks, the Parent and its subsidiary companies incorporated in India have used an accounting software for maintaining their respective books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

Additionally audit trail has been preserved by the Parent and its subsidiary companies incorporated in India as per the statutory requirements for record retention

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent and subsidiaries included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Sagar Cements Limited	L26942TG1981PLC002887	Parent	Clause 3(xvii)
Andhra Cements Limited	L26942AP1936PLC002379	Subsidiary	Clause 3(xvii)

Place: Hyderabad
Date: May 12, 2025

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 25213649BMOENC4735)



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Sagar Cements Limited (hereinafter referred to as the “Parent”), and its subsidiary companies, as of that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The respective Company’s management and Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies which are companies incorporated in India.



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated

financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 25213649BMOENC4735)

Place: Hyderabad
Date: May 12, 2025



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	2,95,720	3,11,258
(b) Right-of-use assets	3	2,794	1,042
(c) Capital work-in-progress	43	12,324	1,470
(d) Goodwill	4B	4,162	4,162
(e) Intangible assets			
(i) Mining rights	4A	8,132	8,503
(ii) Other Intangible assets	4A	44	63
(f) Financial assets			
(i) Loans	5	77	94
(ii) Other financial assets	6	4,920	4,609
(g) Income tax assets (net)	28	1,542	1,551
(h) Deferred tax assets (net)	28	15,458	14,046
(i) Other non-current assets	7	2,741	2,611
Total Non-current assets		3,47,914	3,49,409
Current assets			
(a) Inventories	8	27,360	30,754
(b) Financial assets			
(i) Trade receivables	9	20,417	20,772
(ii) Cash and cash equivalents	10	7,049	16,718
(iii) Bank balances other than cash and cash equivalents	11	9,323	9,494
(iv) Loans	5	79	86
(v) Other financial assets	6	985	853
(c) Current tax assets (net)	28	83	56
(d) Other current assets	7	4,450	7,342
Total Current assets		69,746	86,075
Asset held for sale	2	-	137
TOTAL ASSETS		4,17,660	4,35,621
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	2,614	2,614
(b) Other equity	13A	1,69,667	1,91,508
Equity attributable to equity shareholders of the Parent		1,72,281	1,94,122
Non-controlling interests	13B	7,152	7,847
Total Equity		1,79,433	2,01,969
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14A	99,151	1,08,907
(ia) Lease liabilities	35	1,318	164
(ii) Other financial liabilities	15	9,936	11,701

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
(b) Provisions	16	1,583	1,186
(c) Deferred tax liabilities (net)	28	5,560	10,799
(d) Other non-current liabilities	18	772	635
Total Non-current liabilities		1,18,320	1,33,392
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14B	43,649	34,997
(ia) Lease liabilities	35	462	56
(ii) Trade payables	17		
(a) total outstanding dues of micro enterprises and small enterprises		3,208	12,076
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		54,622	39,749
(iii) Other financial liabilities	15	6,104	2,093
(b) Other current liabilities	18	10,780	9,724
(c) Provisions	16	487	547
(d) Income tax liabilities (net)	28	595	1,018
Total Current liabilities		1,19,907	1,00,260
Total Liabilities		2,38,227	2,33,652
TOTAL EQUITY AND LIABILITIES		4,17,660	4,35,621
The accompanying notes are an integral part of these financial statements	1		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2025

Place: Hyderabad
Date: May 12, 2025



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from operations	19	2,25,764	2,50,461
II Other income	20	2,143	5,412
III Total Income (I + II)		2,27,907	2,55,873
IV Expenses			
(a) Cost of materials consumed	21	42,430	46,071
(b) Purchase of stock-in-trade	22	592	1,781
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	56	(6,694)
(d) Employee benefits expense	24	13,308	11,730
(e) Finance costs	25	18,813	18,483
(f) Depreciation and amortisation expenses	26	23,075	21,411
(g) Power and fuel expense		79,696	95,217
(h) Freight and forwarding expense		45,885	47,206
(i) Other expenses	27	29,688	30,559
Total Expenses		2,53,543	2,65,764
V Loss before exceptional items and tax (III - IV)		(25,636)	(9,891)
VI Exceptional Items	48	2,717	(1,479)
VII Loss before tax (V - VI)		(28,353)	(8,412)
VIII Tax expense			
(a) Current tax	28	-	890
(b) Deferred tax	28	(6,685)	(4,097)
Total Tax expense		(6,685)	(3,207)
IX Loss after tax (VII - VIII)		(21,668)	(5,205)
X Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain on defined benefits plan	32	81	(134)
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(34)	48
Other comprehensive income/(loss) for the year, net of tax		47	(86)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
XI Total comprehensive loss for the year (IX + X)		(21,621)	(5,291)
Loss for the year attributable to;			
Equity shareholders of the Parent		(20,979)	(4,336)
Non controlling interest		(689)	(869)
		(21,668)	(5,205)
Total comprehensive loss for the year attributable to;			
Equity shareholders of the Parent		(20,926)	(4,425)
Non controlling interest		(695)	(866)
		(21,621)	(5,291)
XII Earnings per equity share (Face value of ₹ 2 each fully paid (March 31, 2024: ₹ 2 each fully paid))			
Basic and Diluted	36	(16.58)	(3.98)
The accompanying notes are an integral part of these financial statements	1		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2025

Place: Hyderabad
Date: May 12, 2025



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital

Particulars	Amount
Balance as at March 31, 2023	2,614
Changes in equity share capital during the year	-
Balance as at March 31, 2024	2,614
Changes in equity share capital during the year	-
Balance as at March 31, 2025	2,614

B. Other equity

Particulars	Attributable to equity shareholders of the Parent						Non-controlling interests	Total other equity
	Reserves and surplus					Total other equity attributable to equity shareholders of the Parent		
	Capital reserve	Securities premium	General reserve	Retained earnings	Other items of other comprehensive income			
Balance as at March 31, 2023	37,551	88,351	3,598	67,416	(68)	1,96,848	7,017	2,03,865
Loss for the year	-	-	-	(4,336)	-	(4,336)	(869)	(5,205)
Dividend on equity shares (Refer note 41)	-	-	-	(915)	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 48)	-	-	-	-	(89)	(89)	3	(86)
Minority interest on account of offer for sale	-	-	-	-	-	-	1,696	1,696
Balance as at March 31, 2024	37,551	88,351	3,598	62,165	(157)	1,91,508	7,847	1,99,355

Particulars	Attributable to equity shareholders of the Parent						Non-controlling interests	Total other equity
	Reserves and surplus					Total other equity attributable to equity shareholders of the Parent		
	Capital reserve	Securities premium	General reserve	Retained earnings	Other items of other comprehensive income			
Loss for the year	-	-	-	(20,979)	-	(20,979)	(689)	(21,668)
Dividend on equity shares (Refer note 41)	-	-	-	(915)	-	(915)	-	(915)
Other comprehensive loss for the year (net of tax ₹ 34)	-	-	-	-	53	53	(6)	47
Balance as at March 31, 2025	37,551	88,351	3,598	40,271	(104)	1,69,667	7,152	1,76,819

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

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

For and on behalf of the Board of Directors of
Sagar Cements Limited

C Manish Muralidhar
Partner
Membership No: 213649

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer

Place: Hyderabad
Date: May 12, 2025

Place: Hyderabad
Date: May 12, 2025



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A Cash flow from operating activities		
Loss before tax for the year	(28,353)	(8,412)
Adjustments for:		
Depreciation and amortisation expenses	23,075	21,411
Finance costs	18,813	18,483
Interest income	(1,590)	(1,361)
Liabilities no longer required written back	(2)	(10)
Exceptional income (Refer note 48)	-	(1,479)
Expected credit loss allowance on trade receivables	(130)	-
Provision for incentives receivable from government	750	900
Allowance for credit losses on capital advances	46	-
Allowance for credit losses on supplier advances	132	50
Provision for inventory	111	-
Unrealised gain on foreign currency transactions and translation	(29)	(78)
Net loss on fair value change in financial instruments	85	10
Profit on sale of property, plant and equipment	(514)	(686)
Gain on sale of investments	-	(3,189)
Advances written off	5	-
	<u>40,752</u>	<u>34,051</u>
Operating profit before working capital changes	12,399	25,639

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	485	(7,451)
Inventories	3,283	(3,660)
Other financial assets	(347)	(2,009)
Other assets	1,790	3,311
	<u>5,211</u>	<u>(9,809)</u>
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	6,036	21,033
Other financial liabilities	(1,286)	2,129
Provisions	418	128
Other liabilities	1,056	1,884
	<u>6,224</u>	<u>25,174</u>
Cash generated from operating activities	23,834	41,004
Less: Income tax paid	(441)	(964)
Net cash generated from operating activities	23,393	40,040
B Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(13,815)	(22,579)
Deposits not considered as cash and cash equivalents		
- Placed	(499)	(5,420)
- Matured	670	536
Movement in other bank balances	8	-
Proceeds from disposal of property, plant and equipment	822	2,571
Proceeds from sale of investments (Refer note 47)	-	4,885
Interest received	1,481	1,256
Net cash used in investing activities	(11,333)	(18,751)



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C Cash flow from financing activities		
Proceeds from non-current borrowings	88	9,586
Proceeds from loan from others and related parties (net)	4,500	-
Loans given to employees	24	(79)
Repayment of loan from related party	(91)	-
Repayment of non-current borrowings	(15,880)	(12,497)
Repayment of lease liability	(430)	(204)
Proceeds/(Repayment) from current borrowings (net)	10,188	(397)
Interest paid	(19,213)	(17,556)
Dividend paid	(915)	(915)
Net cash used in financing activities	(21,729)	(22,062)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net decrease in cash and cash equivalents (A+B+C)	(9,669)	(773)
Cash and cash equivalents at the beginning of the year	16,718	17,491
Cash and Cash equivalents at the end of the year (Refer note 10)	7,049	16,718
Note:		
Cash and cash equivalents comprises of:		
Cash in hand	3	4
Balances with banks	497	223
Deposits with banks	6,549	16,491
Cash and cash equivalents (Refer note 10)	7,049	16,718



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2024	Cash flow changes		Non-cash flow changes	As at March 31, 2025
		Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	1,24,754	4,588	(15,880)	-	1,13,462
Loan from related party and others	284	-	(91)	-	193
Current borrowings	19,150	10,188	-	-	29,338
Total liabilities from financing activities	1,44,188	14,776	(15,971)	-	1,42,993

Particulars	As at April 01, 2023	Cash flow changes		Non-cash flow changes	As at March 31, 2024
		Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	1,27,665	9,586	(12,497)	-	1,24,754
Loan from related party and others	284	-	-	-	284
Current borrowings	19,547	-	(397)	-	19,150
Total liabilities from financing activities	1,47,496	9,586	(12,894)	-	1,44,188

Reconciliations of lease liability:

Particulars	As at April 01, 2024	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2025
Lease liabilities	220	1,903	87	(430)	1,780

Particulars	As at April 01, 2023	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2024
Lease liabilities	354	50	20	(204)	220

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

J. Raja Reddy
Company Secretary
M. No. A31113

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

1. Corporate information and material accounting policies

(a) Corporate Information:

Sagar Cements Limited (“the Company/Parent Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the National Stock Exchange (NSE) of India Limited and The BSE Limited. The registered office of the Company is located at Hyderabad. The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited) and Andhra Cements Limited (collectively referred to as “the Group”). The Group is engaged in the business of manufacture and sale of cement and generation of power for sale and captive consumption.

(b) Material accounting policies

(i) Statement of compliance

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

(ii) Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, net realisable value in Ind AS 2 or value in use in Ind AS 36 that have some similarities to fair value but are not fair value.

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

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

(iii) Functional and Presentation currency

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

Rounding of amounts

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

(iv) Use of estimates and Judgements

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

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

◆ Useful lives of property, plant and equipment and amortisation of intangible assets

Depreciation on plant and machinery, railway siding, mining rights and land restoration is calculated on a straight-line basis and property, plant and equipment other than stated above is calculated on a diminishing balance method using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment as estimated by the management. Amortisation of intangible assets is calculated on diminishing balance method considering the useful life estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

◆ Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions relating to discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

◆ Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Group uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

◆ Fair value measurement of Financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

◆ Provisions and contingencies

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

◆ Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the group's operations taking into account the location of the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

◆ Impairment of investments

Determining whether the investments, are impaired requires an estimate of the value in use of investments. In considering the factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

◆ Inventories

Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.

◆ Expected credit losses

The Group makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per the provision matrix.

◆ Mining rights

The Company has used cost saving method for value analysis of limestone mining rights. The valuation

method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market. Subsequent to initial recognition, mining rights are reported at cost less accumulated amortisation and accumulated impairment losses.

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. Subsequent to initial recognition, mining rights are reported at cost less accumulated amortisation and accumulated impairment losses.

(v) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2025 and March 31, 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ◆ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ◆ Exposure, or rights, to variable returns from its involvement with the investee, and
- ◆ The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and

when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ◆ rights arising from other contractual arrangements
- ◆ the size of the Group's holding of voting rights related to the size and dispersion of holdings of the other vote holders
- ◆ potential voting rights held by the group, other vote holders or other parties
- ◆ any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Investee relationship		Principal place of business	Ownership held by	% of Holding and voting power held directly	
	March 31, 2025	March 31, 2024			As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)	Subsidiary	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	Subsidiary	India	Sagar Cements Limited	90%	90%

Consolidation procedure:

- ◆ Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- ◆ Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- ◆ Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- ◆ Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

- ◆ When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent Company. If the Group loses control over a subsidiary, it:

- ◆ Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ◆ Derecognises the carrying amount of any non-controlling interests
- ◆ Derecognises the cumulative translation differences recorded in equity
- ◆ Recognises the fair value of the consideration received
- ◆ Recognises the fair value of any investment retained
- ◆ Recognises any surplus or deficit in profit and loss

- ◆ Reclassifies the parent's share of components previously recognised in OCI to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(vi) Business combination

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair value of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of the acquiree. Acquisition related costs are generally recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- ◆ deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- ◆ liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 at the acquisition date (see below); and



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

- ◆ assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 are measured in accordance with that Standard.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognise any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess, after remeasurement, is recognised in capital reserve through other comprehensive income or directly depending on whether there exists clear evidence of the underlying reason for classifying the business combination as a bargain purchase.

Mining rights

The Group has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market.

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings. Subsequent to initial recognition, mining rights are reported at cost less accumulated amortisation and accumulated impairment losses.

A cash generating unit to which mining right has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any mining rights allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for mining rights is recognised in profit and loss. An impairment loss recognised for mining rights is not reversed in subsequent periods.

Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted

through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(vii) Non-controlling interests ("NCI")

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests and entitling their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit and loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(viii) Goodwill

Goodwill is measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is reviewed for impairment atleast annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation

is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(ix) Revenue recognition

The Group derives revenue from the sale of cement and recognises when it transfers control over the goods to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Revenue from service contracts with customers is recognised when the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Generation of Power

In case of power generation, revenue from sale of energy is recognised on accrual basis. Claims for delayed payment charges and any other claims, which the Group is entitled to, on grounds of prudence are accounted on admittance basis.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



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

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

(xi) Government grants

Grants from the Government are recognised when there is reasonable assurance that:

- a) The Group will comply with the conditions attached to them; and
- b) The grant will be received.

(xii) Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined Contribution Plans

The Group's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of

the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in statement of profit and loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected

cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences classified as non-current are those which are not expected to occur within twelve months after the end of the period in which the employee renders the related service and are recognised based on actuarial valuation.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

(xiii) Taxation

Income tax expense represents the sum of current tax and deferred tax. Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because it excludes items of income or expense that



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are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of the goodwill.

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

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

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

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum alternate tax

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

(xiv) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The initial cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Freehold land is not depreciated.

Subsequent costs incurred are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

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



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

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

Depreciation on plant and machinery and railway siding is charged under straight line method and on other assets depreciation is charged under WDV method, based on the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of asset	Useful lives
Plant & Machinery	
– Power Plant	10-40 years
– Other than power plant	3-30 years
Electrical installations	3-40 years
Railway siding	25 years

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

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

The Company had opted for deemed cost exemption under Ind AS 101 on transition of Ind AS.

Land-Restoration:

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows. The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

Asset Held For Sale:

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition and the sale is highly probable.



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(xv) Intangible assets and amortisation

Computer software acquired are measured on initial recognition at cost and mining rights are recognised on account of business combination. Cost comprises the purchase price (net of tax/duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(xvi) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Work-in-progress and finished goods include appropriate proportion of overheads.

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

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

(xvii) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, in bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. If the contractual restrictions to use the cash extend beyond twelve months after the end of the reporting period, the related amounts are classified as non-current in the balance sheet.

Cash flows are reported using indirect method whereby profit/(loss) before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part

of the Group's cash management. Such overdrafts are presented as short-term borrowings in the balance sheet.

(xviii) Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these financial statements, the exchange differences on monetary items arising, if any, are recognised in the statement of profit and loss in the period in which they arise.

(xix) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management evaluates the Group's performance and allocates resources based on analysis of various performance indicators by business segments.

(xx) Financial Instruments

(A) Initial recognition

Financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.



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Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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 recognized immediately in profit and loss.

(B) Subsequent measurement

Non-derivative Financial Instruments:

a. Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has

made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

c. Financial assets at fair value through profit and loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

d. Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss (FVTPL). Interest income is recognised in statement of profit and loss and is included in the "other income" line item.

(C) De-recognition of financial assets and liabilities

a. Financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit and loss on disposal of that financial asset.

b. Financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 109 - Financial Instruments.



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(xxi) Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not hold derivative financial instruments for speculative purposes.

(xxii) Investments

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(xxiii) Impairment of assets

a. Financial assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.



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In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- ◆ an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- ◆ significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- ◆ existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- ◆ an actual or expected significant deterioration in the operating results of the debtor;
- ◆ significant increases in credit risk on other financial instruments of the same debtor; and
- ◆ an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group

has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- ◆ the financial instrument has a low risk of default;
- ◆ the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- ◆ adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in

the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- ◆ when there is a breach of financial covenants by the debtor; or
- ◆ information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



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(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event (see (ii) above);
- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal

advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with Ind AS 116.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

b. Non-financial assets:

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an Impairment loss. 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.



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If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

(xxiv) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(xxv) Provisions, contingent liabilities and contingent assets

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

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

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised but only disclosed where an inflow of economic benefits is probable. Contingent assets are possible assets that arise from past events whose existence 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.

(xxvi) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys



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the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

(xxvii) Operating cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(xxviii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2025.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Land - freehold	44,597	44,517
Land - restoration	462	453
Buildings	49,294	54,054
Plant and machinery	1,79,303	1,88,352
Furniture and fittings	1,130	248
Office and other equipment	3,352	3,892
Electrical installations	12,269	13,905
Computers	112	146
Vehicles	668	1,118
Railway siding	4,533	4,573
Total	2,95,720	3,11,258

For the year 2024-25

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 (at cost)											
Opening balance	44,517	597	82,883	2,89,452	1,184	9,266	32,128	769	2,448	6,867	4,70,111
Add: Additions	81	67	1,223	3,458	950	373	799	47	99	26	7,123
Less: Disposals	1	-	1,613	2,550	8	172	926	20	328	-	5,618
Balance as at March 31, 2025	44,597	664	82,493	2,90,360	2,126	9,467	32,001	796	2,219	6,893	4,71,616
II. Accumulated depreciation											
Opening Balance	-	144	28,829	1,01,100	936	5,374	18,223	623	1,330	2,294	1,58,853
Add: Charge for the year	-	58	5,954	12,396	68	901	2,425	81	358	249	22,490
Less: Eliminated on disposal of assets	-	-	1,584	2,439	8	160	916	20	137	183	5,447
Balance as at March 31, 2025	-	202	33,199	1,11,057	996	6,115	19,732	684	1,551	2,360	1,75,896
Net block (I-II)											
Carrying value as at March 31, 2025	44,597	462	49,294	1,79,303	1,130	3,352	12,269	112	668	4,533	2,95,720
Carrying value as at March 31, 2024	44,517	453	54,054	1,88,352	248	3,892	13,905	146	1,118	4,573	3,11,258



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

For the year 2023-24

Description of Assets	Land-freehold	Land-restoration	Buildings	Plant and machinery	Furniture and fittings	Office and other equipment	Electrical installations	Computers	Vehicles	Railway siding	Total
I. Gross block (at cost)											
Opening balance	44,505	247	70,662	2,82,500	1,091	8,044	29,977	639	1,580	6,867	4,46,112
Add: Charge for the year	120	350	12,221	12,256	93	1,745	2,177	130	987	-	30,079
Less: Disposals	108	-	-	4,314	-	523	26	-	119	-	5,090
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	990	-	-	-	-	-	-	990
Balance as at March 31, 2024	44,517	597	82,883	2,89,452	1,184	9,266	32,128	769	2,448	6,867	4,70,111
II. Accumulated depreciation											
Opening Balance	-	92	23,354	94,705	879	5,009	15,716	535	1,210	2,045	1,43,545
Add: Depreciation expense	-	52	5,475	11,386	57	776	2,529	88	233	249	20,845
Less: Eliminated on disposal of assets	-	-	-	2,659	-	411	22	-	113	-	3,205
Less: On asset reclassified as held for sale (Refer note 3 below)	-	-	-	853	-	-	-	-	-	-	853
Less: Reversal of impairment	-	-	-	1,479	-	-	-	-	-	-	1,479
Balance as at March 31, 2024	-	144	28,829	1,01,100	936	5,374	18,223	623	1,330	2,294	1,58,853
Net block (I-II)											
Carrying value as at March 31, 2024	44,517	453	54,054	1,88,352	248	3,892	13,905	146	1,118	4,573	3,11,258
Carrying value as at March 31, 2023	44,505	155	47,308	1,87,795	212	3,035	14,261	104	370	4,822	3,02,567

1. Pledge on property, plant and equipment:

- (i) Property, plant and equipment (other than vehicles, certain other equipment and land restoration) with a carrying amount of ₹ 2,94,523 (March 31, 2024: ₹ 3,09,687) are subject to a pari-passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles, certain other equipment and land restoration) are subject to a pari-passu second charge on the Company's current borrowings. Refer note 14A and 14B.
- (ii) Vehicles and certain other equipment with carrying amount of ₹ 735 (March 31, 2024: ₹ 851) are hypothecated to respective banks against loans. Refer note 14A and 14B..

2. The Group has not revalued its Property, plant and equipment during the year ended March 31, 2025 and March 31, 2024.

3. Asset held for sale represents Cement Mill I and Cement Mill II along with its auxiliary equipments. These assets are classified as asset held for sale based on sale agreement executed by the Andhra Cements Limited, Subsidiary Company, pending clearance of the above-mentioned assets from site by the identified buyer. Asset held for sale is classified at lower of cost and fair value less cost to sell.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

3. Right of use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Buildings	266	56
Land	971	986
Plant and Machinery*	1,557	-
Total	2,794	1,042

For the year 2024-25

Particulars	Buildings	Land	Plant and Machinery *	Total
Gross Block				
Opening Balance	124	1,067	-	1,191
Add: Additions	374	-	1,573	1,947
Less: Deletion	52	-	-	52
Balance as at March 31, 2025	446	1,067	1,573	3,086
II. Accumulated depreciation				
Opening Balance	68	81	-	149
Add: Charge for the year	164	15	16	195
Less: Deletion	52	-	-	52
Balance as at March 31, 2025	180	96	16	292
Net block (I-II)				
Carrying value as at March 31, 2025	266	971	1,557	2,794
Carrying value as at March 31, 2024	56	986	-	1,042

For the year 2023-24

Particulars	Buildings	Land	Plant and Machinery *	Total
Gross Block				
Opening Balance	471	1,067	-	1,538
Add: Additions	50	-	-	50
Less: Deletion	397	-	-	397
Balance as at March 31, 2024	124	1,067	-	1,191
II. Accumulated depreciation				
Opening Balance	293	65	-	358
Add: Charge for the year	172	16	-	188
Less: Deletion	397	-	-	397
Balance as at March 31, 2024	68	81	-	149
Net block (I-II)				
Carrying value as at March 31, 2024	56	986	-	1,042
Carrying value as at March 31, 2023	178	1,002	-	1,180

Note: Refer note 35 on lease.

* The ownership of the leased asset will be transferred to the Company at the end of the lease term. Depreciation for the same is calculated using the estimated useful life of the asset of 25 years.

The Company leases several assets whose lease term is as follows:

Particulars	Useful life (in years)
Building	2-10
Land	29-99



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

4A. Intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Mining rights	8,132	8,503
Other intangible assets		
– Computer software	44	63
Total	8,176	8,566

For the year 2024-25

Particulars	Mining rights	Computer software	Total
I. Gross block (at cost)			
Opening Balance	10,226	367	10,593
Add: Additions	-	-	-
Less: Disposals	-	-	-
Balance as at March 31, 2025	10,226	367	10,593
II. Accumulated amortisation			
Opening Balance	1,723	304	2,027
Add: Charge for the year	371	19	390
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2025	2,094	323	2,417
Net block (I-II)			
Carrying value as at March 31, 2025	8,132	44	8,176
Carrying value as at March 31, 2024	8,503	63	8,566

For the year 2023-24

Particulars	Mining rights	Computer software	Total
I. Gross block (at cost)			
Opening Balance	10,226	329	10,555
Add: Additions on account of business combination	-	-	-
Add: Additions	-	38	38
Less: Disposals	-	-	-
Balance as at March 31, 2024	10,226	367	10,593

Particulars	Mining rights	Computer software	Total
II. Accumulated amortisation			
Opening Balance	1,352	297	1,649
Add: Charge for the year	371	7	378
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2024	1,723	304	2,027
Net block (I-II)			
Carrying value as at March 31, 2024	8,503	63	8,566
Carrying value as at March 31, 2023	8,874	32	8,906

Notes:

- The Company has not revalued its intangible assets.
- Computer software are amortised over the estimated useful lives of 6 years.
- Mining rights are amortised the period of the respective mining agreement.

4B. Goodwill:

Goodwill recognised on business combinations is allocated to Cash Generating Units (CGUs) which are expected to benefit from the synergies of the acquisitions.

For the purpose of impairment testing carrying amount of Goodwill has been allocated to the following Cash generating unit (CGU):

Particulars	As at March 31, 2025	As at March 31, 2024
Gudipadu Unit of Sagar Cements Limited	3,873	3,873
Jaipur Unit of Sagar Cements Limited	65	65
Sagar Cements (M) Private Limited, Subsidiary Company	224	224
Total	4,162	4,162

The company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets. The key assumptions for the value-in-use calculations are those regarding the discount rate, terminal growth rates and expected changes to volumes, selling price and Earnings before depreciation, interest and tax ("EBITDA") over the growth period. Basis management assessment, the goodwill is not impaired. Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.



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All amounts are in ₹ Lakhs unless otherwise stated

5. Loans (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Measured at amortised cost		
Non-current		
Loans to employees	77	94
Total	77	94
Current		
Loans to employees	79	86
Total	79	86
Total loans	156	180

Note: No loans other than stated in the related party transactions disclosure (Refer note 34) are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

6. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits	4,459	4,140
Balances held as margin money deposit against borrowings (Refer note below)	461	469
Total	4,920	4,609
Current		
Security deposits	521	486
Advances to employees	86	98
Interest accrued but not due	378	269
Total	985	853
Total other financial assets	5,905	5,462

Note: Held as securities or earmarked for issue of bank guarantees/letter of credit/margin money.

7. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances (Refer note (i) below)		
Unsecured considered good	879	969
Considered doubtful	446	400
Less: Provision for advances	(446)	(400)
	879	969
Advances to suppliers and service providers		
Unsecured considered good	-	71
Considered doubtful	71	-
Less: Provision for advances	(71)	-
	-	71
Prepaid expenses	1,665	1,377
Balances with government authorities		
Unsecured, considered good	197	194
Considered doubtful	179	179
Less: Provision for doubtful deposits	(179)	(179)
	197	194
Total	2,741	2,611
Current		
Advances to suppliers and service providers (Refer note (ii) below)		
Unsecured considered good	1,525	3,845
Considered doubtful	111	50
Less: Provision for advances	(111)	(50)
	1,525	3,845
Prepaid expenses	1,831	1,164
Balances with government authorities	313	802
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	587	1,337
Considered doubtful	3,409	2,659
Less: Provision for incentives receivable from government	(3,409)	(2,659)
	4,450	7,342
Total	4,450	7,342
Total other assets	7,191	9,953

Note:

- Includes ₹ 427 (March 31, 2024: ₹ 163) capital advances given to related party (Refer note 34).
- Includes ₹ 27 (March 31, 2024: ₹ 20) advances given to related party (Refer note 34).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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8. Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	1,838	1,331
Coal	6,545	6,129
Work-in-progress	8,998	9,462
Stores and spares	6,404	6,637
Packing materials	664	705
Finished goods	2,555	2,147
Total (A)	27,004	26,411
Goods-in-transit:		
Raw materials	41	12
Coal	165	4,289
Packing materials	46	42
Stores and spares	104	-
Total (B)	356	4,343
Total inventories (A+B)	27,360	30,754

Note:

- Refer note 1(b)(xvi) for basis of valuation of inventory.
- ₹ 292 (As at March 31, 2024: ₹ 225) has been recognised in the statement of profit and loss towards written down of inventories considered obsolete/slow moving.
- The cost of inventories recognised as an expense includes ₹ 22 (As at March 31, 2024: ₹ 63) in respect of write-downs of inventory to net realisable value.
- Inventories with a carrying amount of ₹ 27,360 (As at March 31, 2024: ₹ 30,754) have been pledged as security. Refer note 14A and 14B for the details of borrowings.

9. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - Secured	3,752	4,430
Trade receivables considered good - Unsecured	16,665	16,342
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	1,267	1,397
Sub-total	21,684	22,169
Less: Expected credit loss allowance	(1,267)	(1,397)
Total trade receivables	20,417	20,772

Notes:

Includes ₹ 44 (March 31, 2024: ₹ 22) receivable from related party (Refer note 34) and refer note 14A and 14B for the details of trade receivables pledged.

No trade or other receivables, other than those disclosed in note 34, are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

FY 2024-25:

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	13,015	6,373	690	205	48	86	20,417
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	56	70	101	21	273	615	1,136
- 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	13,071	6,443	791	226	321	832	21,684

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	15,301	5,044	108	163	71	85	20,772
- which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
- credit impaired	50	174	84	228	28	702	1,266
- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	131	131
Total	15,351	5,218	192	391	99	918	22,169



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100 per cent against all receivables over three years past due because historical experience has indicated that these receivables are generally not recoverable.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

FY 2024-25:

Particulars	Not due	Trade Receivables – days past due					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Expected credit loss rate	0%	1%	13%	9%	85%	90%	6%
Estimated total gross carrying amount at default	13,071	6,443	791	226	321	832	21,684
Lifetime ECL	56	70	101	21	273	746	1,267

FY 2023-24:

Particulars	Not due	Trade Receivables – days past due					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Expected credit loss rate	0%	3%	44%	58%	28%	91%	6%
Estimated total gross carrying amount at default	15,351	5,218	192	391	99	918	22,169
Lifetime ECL	50	174	84	228	28	833	1,397

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in Ind AS 109.

Movement in expected credit loss allowance

Particulars	Collectively assessed	Individually assessed	Total
Balance as at March 31, 2023	1,266	131	1,397
Net remeasurement of loss allowance	-	-	-
Amounts recovered	-	-	-
Balance as at March 31, 2024	1,266	131	1,397
Net remeasurement of loss allowance	-	-	-
Amounts recovered	130	-	130
Balance as at March 31, 2025	1,136	131	1,267



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

10. Cash and cash equivalents

Particulars	As at	
	March 31, 2025	March 31, 2024
Cash in hand	3	4
Balances with banks	497	223
Deposits with banks	6,549	16,491
Total Cash and cash equivalents	7,049	16,718

11. Other bank balances

Particulars	As at	
	March 31, 2025	March 31, 2024
Unpaid dividend account	30	38
Margin money deposits (Refer note below)	9,293	9,456
Total Other bank balances	9,323	9,494

Note: Margin money deposits to the extent these are against bank guarantees and cash credit facilities.

12. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 2 each (March 31, 2024: Equity Shares of ₹ 2 each)	1,24,75,00,000	24,950	69,75,00,000	13,950
Preference share capital				
Authorised:				
Preference shares of ₹ 10 each (March 31, 2024: 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, 2024: Equity Shares of ₹ 2 each)	13,07,07,548	2,614	13,07,07,548	2,614

Notes:

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Opening balance	13,07,07,548	2,614	13,07,07,548	2,614
Changes in share capital during the year	-	-	-	-
Closing balance	13,07,07,548	2,614	13,07,07,548	2,614



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

(b) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 each per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
AvH Resources India Private Limited	2,56,68,790	19.64%	2,56,68,790	19.64%
PI Opportunities Fund I Scheme II	1,32,07,548	10.10%	1,32,07,548	10.10%
R V Consulting Services Private Limited	1,20,78,125	9.24%	1,20,78,125	9.24%
Aruna Sammidi	76,19,850	5.83%	76,19,850	5.83%
Rachana Sammidi	66,08,540	5.06%	66,08,540	5.06%
Anand Reddy Sammidi	73,04,745	5.59%	73,04,745	5.59%
Sreekanth Reddy Sammidi	69,92,681	5.35%	69,69,140	5.33%

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

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	No. of shares of ₹ 2 each	% of total shares	% Change during the year	No. of shares of ₹ 2 each	% of total shares	% Change during the year
R V Consulting Services Private Limited	1,20,78,125	9.24%	-	1,20,78,125	9.24%	3.11%
Aruna Sammidi	76,19,850	5.83%	-	76,19,850	5.83%	0.59%
Anand Reddy Sammidi	73,04,745	5.59%	-	73,04,745	5.59%	0.59%
Sreekanth Reddy Sammidi	69,92,681	5.35%	0.02%	69,69,140	5.33%	0.59%
Rachana Sammidi	66,08,540	5.06%	-	66,08,540	5.06%	0.59%
Vanajatha Sammidi	49,53,845	3.79%	-	49,53,845	3.79%	-
Sagar Priya Housing And Industrial Enterprises Limited	43,00,000	3.29%	-	43,00,000	3.29%	-
Siddarth Sammidi	41,09,490	3.14%	-	41,09,490	3.14%	-
Aneesh Reddy Sammidi	41,09,485	3.14%	-	41,09,485	3.14%	-
Malathi Reddy Wdaru	18,88,500	1.44%	-	18,88,500	1.44%	(1.45%)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	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
Madhavi Nadikattu	14,69,000	1.12%	-	14,69,000	1.12%	(0.92%)
Andhra Pradesh Industrial Development Corporation Limited	15,66,425	1.20%	-	15,66,425	1.20%	-
Panchavati Polyfibres Limited	1,57,500	0.12%	-	1,57,500	0.12%	-
P V Narsimha Reddy	10,000	0.01%	-	10,000	0.01%	-

- (e) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

13A Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	37,551	37,551
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	40,271	62,165
Other items for other comprehensive income	(104)	(157)
Total other equity	1,69,667	1,91,508



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Movement in other equity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Capital Reserve	37,551	37,551
(b) Securities premium	88,351	88,351
(c) General Reserve	3,598	3,598
(d) Retained earnings		
(i) Opening balance	62,165	67,416
(ii) Loss for the year	(20,979)	(4,336)
	41,186	63,080
Less: Appropriations		
(i) Dividend on equity shares (Refer note 41)	915	915
	40,271	62,165
(e) Other items of other comprehensive income		
(i) Opening Balance	(157)	(68)
(ii) Other comprehensive income	53	(89)
	(104)	(157)
Total	1,69,667	1,91,508

Nature of reserves

(a) Capital Reserve

This represents subsidies received from the government and on account of business combination as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

(b) Securities premium

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The utilisation of securities premium is governed by the Section 52 of the Companies Act, 2013.

(c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings is a free reserve available to the Group.

(e) Other items of other comprehensive income

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

13B Non-controlling Interests ('NCI')

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	7,847	7,017
Total comprehensive loss for the year attributable to NCI	(695)	(866)
Equity shares under Minimum public shareholding	-	1,696
Balance at end of the year	7,152	7,847

Details of subsidiaries with the non-controlling interests:

Name of the subsidiary	Place of incorporation and principal place of business	Non-controlling interests	
		As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited	India	35%	35%
Andhra Cements Limited	India	10%	10%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

14A Non current borrowings* (Secured, at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Non current borrowings* (Secured, at amortised cost)		
Term loans (Refer note (i) below)	94,651	1,07,753
Non-convertible debentures (Refer note (ii) below)	-	1,154
Non current borrowings* (Unsecured, at amortised cost)		
Loan from related parties (Refer note (iii) below)	2,500	-
Loan from others (Refer note (iv) below)	2,000	-
Total non-current borrowings	99,151	1,08,907

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

Note (i):

As at March 31, 2025:

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	966	14 monthly instalments	8.59%
Tata Capital Financial Services Limited (Refer note 1 below)	1,940	7 quarterly instalments	11.30%
Axis Bank Limited (Refer note 2 below)	-	-	-
Axis Bank Limited (Refer note 3 below)	604	4 quarterly instalments	10.00%
State Bank of India (Refer note 4 below)	598	4 quarterly instalments	11.15%
Axis Bank Limited (Refer note 5 below)	355	10 monthly instalments	8.75%
HDFC Bank Limited (Refer note 6 below)	750	12 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	375	2 quarterly instalments	10.00%
The Federal Bank Limited (Refer note 8 below)	276	12 monthly instalments	9.00%
Axis Bank Limited (Refer note 9 below)	15,700	24 quarterly instalments	10.85%
Yes Bank Limited (Refer note 10 below)	12,206	26 quarterly instalments	9.41%
State Bank of India (Refer note 11 below)	15,894	26 quarterly instalments	11.45%
State Bank of India (Refer note 12 below)	57,651	35 quarterly instalments	10.10%
Vehicle loans from various banks/financial institutions (Refer note 13 below)	494	23 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(13,158)		
	94,651		

As at March 31, 2024:

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	1,804	26 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,083	11 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	8	1 quarterly instalments	9.80%
Axis Bank Limited (Refer note 3 below)	1,247	8 quarterly instalments	9.80%
State Bank of India (Refer note 4 below)	1,198	8 quarterly instalments	10.65%
Axis Bank Limited (Refer note 5 below)	780	22 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	1,500	24 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	1,125	6 quarterly instalments	9.80%
The Federal Bank Limited (Refer note 8 below)	541	24 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	17,700	28 quarterly instalments	10.65%
Yes Bank Limited (Refer note 10 below)	13,866	30 quarterly instalments	10.65%
State Bank of India (Refer note 11 below)	18,102	30 quarterly instalments	10.50%
State Bank of India (Refer note 12 below)	59,452	39 quarterly instalments	9.75%
Vehicle loans from various banks/financial institutions (Refer note 13 below)	886	8 to 34 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(13,539)		
	1,07,753		

Notes:

- 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, plant and machinery of Waste heat recovery power plant at Mattampally and vehicles purchased under hire purchase agreements, 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

2. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and by second pari-passu charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
3. Term loan is secured by exclusive charge of all property, plant and equipment of the grinding unit at Bayyavaram both present and future and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
4. Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
5. Term loan is secured by second pari-passu charge against all current assets and property, plant and equipment of the Company, present and future, excluding vehicles purchased under hire purchase agreements and excluding property, plant and equipment pertaining to Mattampally WHR plant and 100% credit guarantee by National Credit Guarantee Trustee Company Ltd.
6. Term loan is secured by second pari-passu charge on the property, plant & equipment owned by or belonging to the Company both present and future excluding fixed assets pertaining to grinding unit at Bayyavaram, plant and machinery of Waste heat recovery power plant at Mattampally and vehicles purchased under hire purchase agreements, and on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
7. Term loan is secured by pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.
8. This term loan is secured by first pari-passu charge on asset to be created through proceeds of the loan and second pari-passu charge on the property, plant and equipment (including mining land) owned by or belonging to the Company, both present and future, and by a second charge on the current assets of the Company and are guaranteed by National credit guarantee trustee Ltd.
9. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future, hypothecation of all rights, title and interests of the Company under all plant documents, contracts, insurance policies, permits/approvals etc related to the plant, to which the Company is party and can be legally assigned and are guaranteed by Dr S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director.
10. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents and in the clearances. First pari-passu charge on all the insurance contracts/insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares and Non Disposable Undertaking (NDU) for the balance shareholding of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
11. Term loan is secured by first pari-passu charge on the property, plant and equipment (including 30 Acres of project lease land excluding mining land) owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents, excluding mining land. First pari-passu charge on all the insurance contracts/insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares of Sagar Cements (M) Private Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second pari-passu charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.
12. This term loan is secured by first pari-passu charge on all the immovable fixed assets (present & future) and all the movable fixed assets (present and future) by way of Equitable mortgage, and first charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project documents, and lease holding rights on mining lands and first charge on all the insurance contracts/insurance proceeds of fixed assets and pledged 2,18,90,883 equity shares of Andhra Cements Limited held by Sagar Cements Limited in favour of Axis Trustee Services Limited and corporate guarantee of Sagar Cements Limited.



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All amounts are in ₹ Lakhs unless otherwise stated

13. Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.

Note (ii):

Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 lakhs each) aggregating ₹ 15,000. Interest payable on the NCD's is @11.60%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly instalments of ₹ 1,154 starting from May 2019 onwards. The 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, situated at certain location, and by second charge on the current assets of the Company and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Director. The Company has furnished a corporate guarantee to IDBI Trusteeship Services Limited to secure the NCD's.

Note (iii):

The Company had availed unsecured loan of ₹ 2,500 from R V Consulting Services Private Limited for the purpose of the business of the Company. The loans are repayable within a period of 36 months from the date of this agreement i.e., March 29, 2025 and carries interest @ 14.50% p.a. (2023-24: Nil).

Note (iv):

The Company had availed unsecured loan of ₹ 5,000 from Savyasachi Constructions Private Limited to meet its capital expenditure for the modernisation/expansion project and other general corporate purposes. The loans are repayable at the end of 3 years from the date of this agreement i.e., March 29, 2025 and carries interest @ 14.50% p.a. (2023-24: Nil).

Note (v): The Company has used the borrowings for the purposes for which it was taken.

14B Current borrowings (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Current borrowings (at amortised cost)		
Loans repayable on demand		
Cash credit facilities (Refer notes below)	29,338	19,150
Current maturities of non-current borrowings (Refer note 14A)	14,311	15,847
Total secured borrowings	43,649	34,997

Notes:

- 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 @ 9.40% p.a. to 10.45% p.a. (2023-24: 8.75% p.a. to 9.40% p.a.).
- 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 @ 9.40% p.a. to 9.70% p.a. (2023-24: 8.90% p.a. to 9.50% p.a.).
- The Company has availed cash credit facilities from HDFC Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on the property, plant and equipment of the Company including land and building (excluding plant and equipment of grinding unit at Bayyavaram and WHR unit), and post dated cheques aggregating ₹ 1,000 from any working capital banker and are guaranteed by S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.45% p.a. to 10.01% p.a. (2023-24: 8.20% p.a. to 9.75% p.a.).



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All amounts are in ₹ Lakhs unless otherwise stated

4. The Company has availed cash credit facilities from The Federal Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on property, plant and equipment (movable and immovable, including mining land) of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Managing Director and S. Sreekanth Reddy, Joint Managing Director. The loans are repayable on demand and carries interest @ 8.50% p.a. to 9.10% p.a. (2023-24: 8.50% p.a. to 9.10% p.a.).
5. The Company has availed cash credit facilities from Axis Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Managing Director. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.60% p.a. (2023-24: 8.35% p.a. to 9.40% p.a.).
6. The Company has availed cash credit facilities from Yes Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.55% p.a. to 10.85% p.a. (2023-24: 9.75% p.a. to 11.15% p.a.).
7. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and including equitable mortgage(EM) of 30 acres of project lease land (mining land excluded), and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.40% p.a. to 9.95% p.a. (2023-24: 9.25% p.a. to 9.40% p.a.).
8. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.35% p.a. to 11.25% p.a. (2023-24: 9.25% p.a. to 9.35% p.a.).
9. The Company has availed cash credit facilities from Yes Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and first pari passu charge by way of pledge on equity shares of 2,18,90,883 shares held by Sagar Cements Limited in Andhra Cements Limited. The loans are repayable on demand and carries interest @ 10.55% p.a. to 10.75% p.a. (2023-24: Nil).
10. The Company has used the borrowings for the purposes for which it was taken.
11. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

15 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits received (Refer note (ii) below)	9,743	11,417
Loan from others	193	284
Total	9,936	11,701
Current		
Security deposits received (Refer note (ii) below)	326	-
Interest accrued but not due on borrowings	998	1,555
Unclaimed dividends (Refer note (i) below)	30	38
Payables on purchase of property, plant and equipment	4,585	490
Others (Salaries, Wages, Bonus and Other Employee Payables, Derivative liability etc.)	165	10
Total	6,104	2,093
Total other financial liabilities	16,040	13,794

Notes:

- (i) As at March 31, 2025 (March 31, 2024: ₹ Nil), there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.
- (ii) Security deposits received represents trade deposits accepted from customers in accordance with prevalent trade practices and do not have a contractual repayment term nor are they repayable on demand. In accordance with such trade terms, these security deposits are adjusted/re-paid when delinquencies take place, as the case may be, in rare circumstances, when the customer/dealer withdraws from the trade relationship with the Company. The actual maturity period for such deposit amounts and interest thereon could differ based on the date on which these deposits are settled to the customers.

16 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity (Refer note 32)	1,351	1,066
Compensated absences (Refer note 32)	719	667
Total provisions	2,070	1,733
Non-current		
Gratuity	1,066	738
Compensated absences	517	448
Total	1,583	1,186
Current		
Gratuity	285	328
Compensated absences	202	219
Total	487	547

17 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 30)	3,208	12,076
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	54,622	39,749
Total	57,830	51,825

Note: Includes ₹ 1,221 (March 31, 2024: ₹ 735) trade payable and includes ₹ 12 (March 31, 2024: ₹ Nil) rent payable to related party (Refer note 34).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

Trade payables ageing schedule for the year ended March 31, 2025 and March 31, 2024:

FY 2024-25:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	2,341	867	-	-	-	3,208
(ii) Others	39,502	13,124	1,475	42	479	54,622
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	41,843	13,991	1,475	42	479	57,830

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i) MSME	7,195	4,881	-	-	-	12,076
(ii) Others	31,590	7,470	90	90	509	39,749
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	38,785	12,351	90	90	509	51,825

18 Other Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Liability for land restoration	772	635
Total	772	635
Current		
Advance from customers	6,451	4,582
Statutory remittances	4,329	5,142
Total	10,780	9,724
Total other liabilities	11,552	10,359

19 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from		
- Sale of cement and clinker (Refer note 40)	2,18,053	2,49,558
- Sale of power (Refer note 40)	647	267
- Sale of Services - Contract (Refer note 40)	1,057	-
Other operating income		
- Sale of scrap	439	494
- Incentives received from government	4,605	-
- Insurance claims	69	51
- others	894	91
Total revenue from operations	2,25,764	2,50,461



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

20 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income on financial assets at amortised cost	1,590	1,361
Profit on sale of property, plant & equipment	519	751
Gain on sale of Investments	-	3,189
Liabilities no longer required written back	2	10
Net gain on foreign currency transactions and translation	12	81
Miscellaneous income	20	20
Total other income	2,143	5,412

21 Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock	1,331	2,428
Add: Purchases	42,937	44,974
Less: Closing stock	1,838	1,331
Total cost of materials consumed	42,430	46,071
Details of materials consumed		
Limestone	12,768	12,339
Laterite	4,843	5,378
Iron-ore sludge	257	400
Gypsum	3,087	3,360
Flyash	5,622	6,305
Clinker Purchased	2,809	7,522
Slag	6,176	7,303
Others (includes internal clinker transportation charges)	9,658	8,280
Less: Captive consumption	(2,790)	(4,816)
Total	42,430	46,071

22 Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cement	592	1,781
Total Purchase of stock-in-trade	592	1,781

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year:		
Finished goods	2,147	1,873
Work-in-progress	9,462	3,042
	-	-
	11,609	4,915
Inventories at the end of the year:		
Finished goods	2,555	2,147
Work-in-progress	8,998	9,462
	11,553	11,609
Net decrease/(increase)	56	(6,694)

24 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages, including bonus	10,865	9,779
Contribution to provident and other funds (Refer note 32)	1,222	978
Staff welfare expenses	1,221	973
Total employee benefits expense	13,308	11,730



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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25 Finance cost

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	15,323	15,568
Interest on deposit from dealers	391	356
Interest on lease liability (Refer note 35)	87	20
Other borrowing cost (Refer note 1 below)	3,012	2,647
Less: Borrowing costs on qualifying assets capitalised	-	(108)
Total finance cost	18,813	18,483

Notes:

- Other borrowing cost includes interest on bills acceptances (supplier credit), bank guarantees and bank charges.

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 2)	22,490	20,845
Depreciation on right of use assets (Refer note 3 and 35)	195	188
Amortisation of intangible assets (Refer note 4A)	390	378
Total depreciation and amortisation	23,075	21,411

27 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Packing materials consumed	7,549	7,950
Stores and spares consumed	5,926	5,038
Repairs and maintenance		
Plant & equipment	4,717	4,426
Buildings	36	60
Others	1,933	1,524

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Selling expenses	2,993	4,341
Expected credit loss allowances	(130)	-
Provision for incentives receivable from government	750	900
Provision for impairment on capital advances	46	-
Provision for impairment on supplier advances	132	50
Provision for inventory	111	-
Advances written off	5	-
Rent	270	261
Insurance	581	533
Rates and taxes	419	583
Expenditure on corporate social responsibility	244	290
Payment to Auditors	145	148
Travelling and conveyance	850	873
Security services	768	722
Donations and contributions (Refer note 46)	92	819
Legal and other professional	1,194	1,109
Administrative expenses	540	460
Printing and stationery	59	137
Communication	110	123
Net Loss on foreign currency transactions and translation	41	8
Net loss on fair value change in financial instruments	85	10
Directors sitting fees	67	58
Miscellaneous expenses	150	71
Loss on sale of asset	5	65
Total other expenses	29,688	30,559



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28 Income tax expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Income tax recognised in the statement of profit & loss		
Current tax:		
In respect of the current year	-	890
	-	890
Deferred tax		
In respect of current year origination and reversal of temporary differences	(6,685)	(4,097)
	(6,685)	(4,097)
Total tax expense	(6,685)	(3,207)

Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss before tax (A)	(28,353)	(8,412)
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	(9,907)	(2,939)
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(182)	(475)
Effect on expenses disallowed under Income Tax Act, 1961	316	540
Effect on change in depreciation and losses while filing Income tax return	(21)	(33)
Effect on change in Income tax rate	-	(557)
Effect of Tax paid at a lower rate	316	256
Tax loss in respect of which deferred tax asset is not recognised in the current year	3,474	-
Others	(681)	1
Total	3,222	(268)
At the effective income tax rate	(6,685)	(3,207)
Total Tax expense	(6,685)	(3,207)



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Movement in deferred tax assets and liabilities for the year 2024-25:

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	39,851	(123)	-	-	39,728
Provision for employee benefits	(531)	(148)	34	-	(645)
Expected credit loss allowance	(487)	46	-	-	(441)
MAT credit entitlement	(8,708)	-	-	-	(8,708)
Carry forward unabsorbed depreciation and business losses	(32,432)	(6,127)	-	-	(38,559)
Others (Refer note below)	(940)	(333)	-	-	(1,273)
Total Deferred tax liability (Net)	(3,247)	(6,685)	34	-	(9,898)

Note: Includes deferred tax asset on ROU ₹ 71 (2023-24: ₹ 51) and deferred tax liability on lease liability of ₹ 122 (2023-24: ₹ 54)

Movement in deferred tax assets and liabilities for the year 2023-24:

Particulars	Opening balance	(Recognised)/ reversed through the statement of profit and loss	Recognised through other comprehensive income	MAT Credit utilised	Closing balance
Property, plant and equipment and intangible assets	37,784	2,067	-	-	39,851
Provision for employee benefits	(438)	(45)	(48)	-	(531)
Expected credit loss allowance	(487)	-	-	-	(487)
MAT credit entitlement	(8,375)	(333)	-	-	(8,708)
Carry forward unabsorbed depreciation and business losses	(26,991)	(5,441)	-	-	(32,432)
Others (Refer note below)	(595)	(345)	-	-	(940)
Total Deferred tax liability (Net)	898	(4,097)	(48)	-	(3,247)

Note: Includes deferred tax asset on ROU ₹ 51 (2022-23: ₹ 51) and deferred tax liability on lease liability of ₹ 54 (2022-23: ₹ 49)



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Gross deferred tax assets and liabilities are as follows:

As at March 31, 2025

	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(18,300)	21,428	39,728
Provision for employee benefits	123	(522)	(645)
Expected credit loss allowance	5	(436)	(441)
MAT credit entitlement	-	(8,708)	(8,708)
Carry forward business losses and depreciation	33,765	(4,794)	(38,559)
Others	(135)	(1,408)	(1,273)
Total	15,458	5,560	(9,898)

As at March 31, 2024

	Assets	Liabilities	Net Liability
Deferred tax assets/(liabilities) in relation to:			
Property, plant and equipment and intangible assets	(18,231)	21,620	39,851
Provision for employee benefits	94	(437)	(531)
Expected credit loss allowance	3	(484)	(487)
MAT credit entitlement	-	(8,708)	(8,708)
Carry forward business losses and depreciation	32,343	(89)	(32,432)
Others	(163)	(1,103)	(940)
Total	14,046	10,799	(3,247)

Income tax assets and liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (Net of provision of ₹ 5,999 (2023-24: ₹ 6,554))	1,625	1,607
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 345 (2023-24: ₹ 814))	595	1,018
Net Income tax liabilities	1,030	589

29. Contingent liabilities, corporate guarantees, capital and other commitments

a) Contingent Liabilities:

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

(i) Claims against the Group not acknowledged as debt:

Particulars	As at March 31, 2025	As at March 31, 2024
Direct taxes related	5,605	3,051
Indirect taxes related	1,716	1,622
Others	428	428

(ii) The Ministry of Finance, Government of India had announced, in the budget for the year 2010-11, imposition of clean energy cess as a duty of excise on coal, lignite and peat. This came into force with effect from July 1, 2010. As advised by the legal experts the Group took CENVAT credit pertaining to clean energy cess on coal for an amount of ₹ 1,601 (As at March 31, 2024: ₹ 1,601) from July 2010 to September 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,601 was reversed, but under protest. The Hon'ble Tribunal vide Final Order A/30078/2023 dated April 26, 2023, upheld the demand of CENVAT credit but set aside the penalties of ₹ 11. Against the tribunal, two appeals were filed before the Hon'ble High Court and allotted Appeals No CEA 11 of 2024 and 12/2024. The appeals were admitted by the Hon'ble High Court on June 13, 2024. As at March 31, 2024, they are pending for final disposal and will be heard in due course.

(iii) The Hon'ble Supreme Court, has passed a decision on February 28, 2019 in relation to inclusion of certain allowances in "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The group is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident



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fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.

- (iv) Out of the total direct tax matters aggregating to ₹ 5,605, an amount of ₹ 2,518 does not result in any additional tax outflow. While no immediate tax liability is incurred, the outcome of these matters could affect the eligibility for carrying forward and setting off of the Minimum Alternate Tax (MAT) credit and business losses in subsequent years.

b) Corporate Guarantees given to subsidiary companies:

Subsidiary	Guarantee against	Guarantee provided to	As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited	Term loan from State Bank of India and Yes Bank Limited	Axis Trustee Services Limited	37,000	37,000
Andhra Cements Limited	Term loan and working capital facilities from State Bank of India and Yes Bank Limited		70,500	66,500
Total			1,07,500	1,03,500

c) Capital and other commitments:

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	35,925	42,061

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors. The amount of dues payable to micro, small and medium enterprises is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	3,208	12,148
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 financial year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	72
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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31. Financial Instruments:

The material accounting policies, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1(b)(xx) to the financial statements.

A) Capital Management:

The group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the group consists of net debt (borrowings as detailed in Notes 14 & 15 offset by cash and bank balances) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on a monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

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

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (Refer Note below)	1,42,993	1,44,188
Cash and cash equivalents and Other bank balances	16,372	26,212
Net debt	1,26,621	1,17,976
Total equity	1,79,433	2,01,969
Net debt to equity ratio	0.71	0.58

Note: Debt comprises of current and non-current borrowings as disclosed in Notes 14 and 15.

B) Financial instruments:

a) Classification of financial assets and liabilities

The carrying value and fair value of financial instruments by categories as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Financial assets			
Measured at amortised cost			
(i) Loans	5	156	180
(ii) Trade receivables	9	20,417	20,772
(iii) Cash and cash equivalents	10	7,049	16,718
(iv) Other bank balances	11	9,323	9,494
(v) Other financial assets	6	5,905	5,462
Total Financial assets		42,850	52,626

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Financial liabilities			
Measured at fair value through profit and loss (FVTPL)			
Derivative Liability	15	95	10
Measured at amortised cost			
(i) Borrowings	14A & 14B	1,42,800	1,43,904
(ii) Trade payables	17	57,830	51,825
(iii) Lease liabilities	35	1,780	220
(iv) Other financial liabilities	15	15,945	13,784
Total Financial liabilities		2,18,450	2,09,743



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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b) Fair value measurements

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1

Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2

Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3

Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

c) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	Notes	As at March 31, 2025	As at March 31, 2024	Level	Valuation techniques and key inputs
Financial liabilities					
Measured at fair value through profit and loss (FVTPL)					
Derivative Liability	15	95	10	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

There was no transfer between level 1 and level 2 fair value measurement for the years ended March 31, 2025 and March 31, 2024.

C) Financial risk management objectives:

The group's corporate finance function monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The group seeks to minimise the effects of these risks by continues monitoring on day to day basis. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The corporate finance function reports monthly to the group's management, which monitors risks and policies implemented to mitigate risk exposures.

D) Market risk:

The group's activities expose it primarily to the financial risk of changes in interest rates. The group seeks to minimise the effect of this risk by continues monitoring and take appropriate steps to mitigate the aforesaid risk.

Interest rate risk management:

The group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the group's: loss for the year ended March 31, 2025 would increase/decrease by ₹ 715 (Profit for the year ended March 31, 2024: decrease/increase by ₹ 721). This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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Foreign currency exchange rate risks

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are outstanding derivative instruments at the end of the current financial year.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particulars	USD	
	As at March 31, 2025	As at March 31, 2024
Financial Liabilities		
Trade payables	4,694	7,118
Payables on purchase of property, plant and equipment	152	162
Total	4,846	7,280
Less:		
Derivatives - Foreign Currency forward contracts	4,694	7,118
Net exposure in financial liabilities	152	162
Net exposure in respect of recognised assets/ (liabilities)	(152)	(162)

Sensitivity analysis:

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Name of the shareholder	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2025				
USD (5% Movement)	8	(8)	5	(5)
March 31, 2024				
USD (5% Movement)	8	(8)	5	(5)

E) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year. The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F) Liquidity Risk Management:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the group has unutilised credit limits with banks. The group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2025 and March 31, 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.



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Financing facilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Secured bills acceptance facility, reviewed annually		
- amount used	35,012	28,525
- amount unused	10,046	4,275
Total	45,058	32,800
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	29,338	19,150
- amount unused	6,059	10,050
Total	35,397	29,200
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	1,07,808	1,21,292
- amount unused	-	-
Total	1,07,808	1,21,292
Secured non-convertible debentures		
- amount used	1,154	3,462
- amount unused	-	-
Total	1,154	3,462
Unsecured loan from related party and others		
- amount used	4,500	-
- amount unused	3,000	-
Total	7,500	-

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2025 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	57,830	-	-
Other financial liabilities	6,104	737	9,199
Borrowings (including current maturities of non-current borrowings)*	43,649	13,268	85,883

* Excludes lease liabilities. Refer note 35 for contractual cash flows relating to leases

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2024 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	51,825	-	-
Other financial liabilities	2,093	850	10,851
Borrowings (including current maturities of non-current borrowings)*	34,997	14,259	94,648

* Excludes lease liabilities. Refer note 35 for contractual cash flows relating to leases

32. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The group makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 587 (2023-24: ₹ 537).



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Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 66 (2023-24: ₹ 51).

Employee State Insurance

The group makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The group's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognised during the year aggregated ₹ 5 (2023-24: ₹ 6).

(ii) Defined benefit plan:

Gratuity:

In accordance with the 'Payment of Gratuity Act, 1972 of India, the group provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India.

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the group and is in accordance with the rules of the group for payment of gratuity.

This defined benefit plan exposes the Company to actuarial risk, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Investment Risk

The present value of the defined benefit plan liability denominated in Indian Rupee is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan Assets.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the gratuity plan and the amounts to be recognised in the financial statements as per actuarial valuation as at March 31, 2025 and March 31, 2024:

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	6.83% - 6.96%	7.22%
Expected rate of return on plan asset	7.68%	7.67%
Expected average remaining working lives of employees	16.08 – 21.34 years	16.37 – 21.91 years
Rate of escalation in salary	7.71% - 8.52%	8.00% - 10.76%
Attrition rate	10.92% - 25.95%	5.22% - 28.33%



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- b) Components of Defined benefit costs recognised in profit and loss and other comprehensive income:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount recognised in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	345	201
Interest expense	131	120
Interest income on plan assets	(2)	-
Other adjustments	16	11
Expected return on plan assets	(67)	(69)
Defined benefit cost included in profit and loss	423	263
Amounts recognised in Other Comprehensive Income (OCI) are as follows:		
Remeasurements – Due to financial adjustments	(151)	153
Remeasurements – Due to demographic adjustments	1	(71)
Remeasurements – Due to experience adjustments	73	53
Return on plan assets (excluding interest income)	(4)	(1)
Components of defined benefit costs recognised in OCI	(81)	134

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Present value of funded defined benefit obligations	2,276	2,105
Fair value of plan assets	(925)	(1,039)
Net liability arising from defined benefit obligation	1,351	1,066

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Defined benefit obligation at the beginning of the year	2,105	1,872
Current service cost	345	201
Interest cost	131	120
Remeasurements – Due to financial adjustments	(151)	153
Remeasurements – Due to demographic adjustments	1	(71)
Remeasurements – Due to experience adjustments	73	53
Benefits paid out of plan assets and by employer	(228)	(222)
Other adjustments	-	(1)
Defined benefit obligation at the year end	2,276	2,105

- e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within 1 year	291	323
1 – 2 years	275	264
2 – 3 years	302	274
3 – 4 years	246	225
4 – 5 years	235	264
5 – 10 years	784	775



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

Particulars	Defined Benefit Obligation	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening fair value of the plan assets	1,039	984
Expected return on plan assets	69	72
Contributions from the employer	28	144
Benefits paid out of plan assets	(210)	(156)
Other adjustments	(5)	(4)
Re-measurement – Return on Assets (excluding interest income)	4	(1)
Fair value of plan asset at the year end	925	1,039

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, 2025		For the year ended March 31, 2024	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	1,855	2,051	1,834	2,025
Effect of 1% change in assumed salary rate	2,049	1,851	2,018	1,835
Effect of 1% change in assumed attrition rate	1,940	1,958	1,911	1,938

The average duration of the benefit obligation at the end of the reporting period is 5 to 6 years (March 31, 2024: 5 to 8 years).

h) The major categories of plan assets are as under:

Particulars	Defined Benefit Obligation	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Insurer managed funds (Funded with LIC – No further break-up of funds is available)	925	1,039

The group is expected to contribute ₹ 1,245 lakhs to its defined benefit plans during the next financial year (March 31, 2024: ₹ 886).

Compensated absences:

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at period-end. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to the Statement of Profit and Loss in the period determined.

The key assumptions as provided by an independent actuary, used in the computation of provision for compensated absences are as given below:

Particulars	Defined Benefit Obligation	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount Rate	6.83% - 6.96%	7.22%
Salary escalation rate	7.71% - 8.52%	8.00% - 10.76%
Attrition rate	10.92% - 25.95%	5.22% - 28.33%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

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

33. Segment Reporting:

The Company is exclusively engaged in the business of cement and cement related products. As per Ind AS 108 “Operating Segments”, specified under Section 133 of the Companies Act, 2013, there are no reportable business and geographical segments applicable to the Company.

Revenue from major Customers:

The Group is not reliant on revenues from transactions with any single external customer and did not receive 10% or more of its revenues from transactions with any single customer for the year ended March 31, 2025 and March 31, 2024.



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34. Related Party Disclosures:

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

Name	Relationship
Key managerial personnel (KMP):	
K V Vishnu Raju	Chairman
Dr. S. Anand Reddy	Managing Director (MD)
S. Sreekanth Reddy	Joint Managing Director (JMD)
Onteddu Rekha	Independent Director
N. Sudha Rani	Nominee Director
Madhavan Ganesan	Nominee Director
Ravichandran Rajagopal	Independent Director
Rachana Sammidi	Director
John Eric Fernand Pascal Cesar Bertrand	Director (Upto October 21, 2024)
Jens Van Nieuwenborgh	Nominee Director (w.e.f. September 18, 2024)
K. Prasad	Chief Financial Officer (CFO)
J. Raja Reddy	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
R V 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, 2025	For the year ended March 31, 2024
Purchase of packing materials	Panchavati Polyfibres Limited	5,688	7,085
Purchase of property, plant and equipment	R V Consulting Services Private Limited	8,861	4,630
Rent expenses paid	Dr. S. Anand Reddy	50	48
	S. Sreekanth Reddy	50	48
	S. Vanajatha	50	48
	Total	150	143
Sale of scrap	R V Consulting Services Private Limited	18	19
Financial assets – Loan given	K. Prasad	80	-
Financial assets – Repayment of loan given	K. Prasad	50	-
Legal and professional expenses	Sagarsoft (India) Limited	78	57
Loans taken	R V Consulting Services Private Limited	2,500	-
Interest expense on unsecured loan	R V Consulting Services Private Limited	19	-
Reimbursement of expenses received	Sagarsoft (India) Limited	10	9
	R V Consulting Services Private Limited	15	13
	Panchavati Polyfibres Limited	10	10
	Sagar Power Limited	2	3
	Total	37	35
Payment of salary	S. Siddarth Reddy	26	14
	S. Sahithi	-	24
	Total	26	38



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Nature of transaction	Party name	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend paid	S. Vanajatha	35	35
	R V Consulting Services Private Limited	85	85
	S. Siddarth	29	29
	Panchavati Polyfibres Limited	1	1
	AvH Resources India Private Limited	180	180
	Dr. S. Anand Reddy	51	46
	S. Sreekanth Reddy	49	43
	Rachana Sammidi	46	41
	Total		476

Compensation to key managerial personnel:

Nature of transaction	Party name	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term benefits	MD, JMD, CS and CFO	939	830
Post-employment benefits	MD, JMD, CS and CFO	223	76
Sitting fee	Chairman, MD, JMD and Directors	53	54

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2025	As at March 31, 2024
Other financial assets - Advances	Sagar Power Limited	-	1
	Sagarsoft (India) Limited		1
	R V Consulting Services Private Limited	27	18
	Total	27	20
Trade payables	Panchavati Polyfibres Limited	1,207	735
	Sagarsoft (India) Limited	7	-
	John Eric Fernand Pascal Cesar Bertrand	4	-
	Jens Van Nieuwenborgh	3	-
	Total	1,221	735
Payable on purchase of property, plant and equipment	R V Consulting Services Private Limited	3,478	-
Capital advances	R V Consulting Services Private Limited	427	163
Trade receivables	R V Consulting Services Private Limited	44	22
Loans taken	R V Consulting Services Private Limited	2,500	-
Financial assets - Loan	K. Prasad	30	-
	Dr. S. Anand Reddy	4	-
Rent Payable	S. Sreekanth Reddy	4	-
	S. Vanajatha	4	-
	Total	12	-



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35. 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.

Lease commitments

The group lease asset classes primarily consist of leases for land, buildings and plant and machinery. The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate.

The group has elected not to apply the requirements of para 22-49 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, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	1,042	1,180
Additions	1,947	50
Depreciation	(195)	(188)
Closing Balance	2,794	1,042

The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening Balance	220	354
Additions	1,903	50
Finance cost accrued during the year	87	20
Payment of lease liabilities	(430)	(204)
Closing Balance	1,780	220

The following is the break-up of current and non-current lease liabilities as at March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Non-current lease liabilities	1,318	164
Current lease liabilities	462	56
Total	1,780	220



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The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on discounted basis

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	462	56
After one year but not more than five years	944	76
More than 5 years	374	88

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2025 and March 31, 2024 on undiscounted basis

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Within one year	483	57
After one year but not more than five years	1,452	94
More than 5 years	1,035	740

Amount recognised in statement of profit and loss account as at March 31, 2025 and March 31, 2024:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amortisation of right of use assets	195	188
Interest on lease liability	87	20
Expense relating to short term lease	270	261

36. Earnings per Share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax (₹ in lakhs)	(21,668)	(5,205)
Weighted average number of equity shares outstanding (Refer Note 12(a))	13,07,07,548	13,07,07,548
Earnings per share:		
Basic and Diluted (in ₹)	(16.58)	(3.98)

37. Corporate social responsibility (CSR) activities:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group and the amount needs to be spent by the Group for the year is 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are promoting sports, education, medical and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent by the group during the year	96	273
Amount of expenditure incurred during the year on:		
Construction/acquisition of any asset	-	-
On purposes other than above	244	290
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	Promoting sports, education, medical and other social projects	
Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

38. Following subsidiaries has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Principal place of business	Ownership held by	% of Holding and voting power held directly	
				As at March 31, 2025	As at March 31, 2024
Sagar Cements (M) Private Limited	Subsidiary	India	Sagar Cements Limited	65%	65%
Andhra Cements Limited	Subsidiary	India	Sagar Cements Limited	90%	90%



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39. Disclosure of additional information as required by Paragraph 2 of the General instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

As at and for the year ended March 31, 2025:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	90%	1,61,136	40%	(8,548)	153%	72	39%	(8,476)
Sagar Cements (M) Private Limited (Subsidiary)	6%	11,003	(11%)	2,377	(21%)	(10)	(11%)	2,367
Andhra Cements Limited (Subsidiary)	8%	14,455	70%	(15,211)	(32%)	(15)	71%	(15,226)
Adjustments arising out of consolidation	0%	(9)	(2%)	403	13%	6	(2%)	409
Non-controlling interests	(4%)	(7,152)	3%	(689)	(13%)	(6)	3%	(695)
Total	100%	1,79,433	100%	(21,668)	100%	47	100%	(21,621)

As at and for the year ended March 31, 2024:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit and loss		Share of other comprehensive income		Share in total comprehensive income	
	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount
Sagar Cements Limited (Parent)	84%	1,70,527	(60%)	3,117	108%	(93)	(57%)	3,024
Sagar Cements (M) Private Limited (Subsidiary)	4%	8,636	28%	(1,468)	(9%)	8	28%	(1,460)
Andhra Cements Limited (Subsidiary)	15%	29,681	126%	(6,561)	1%	(1)	124%	(6,562)
Adjustments arising out of consolidation	1%	972	(11%)	573	(3%)	3	(11%)	570
Non-controlling interests	(4%)	(7,847)	17%	(866)	3%	(3)	16%	(863)
Total	100%	2,01,969	100%	(5,205)	100%	(86)	100%	(5,291)

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of intercompany transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.



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40. (a) Reconciliation of revenue from sale of goods/services with the contracted price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	2,48,597	2,85,473
Less: Discounts and incentives	(28,840)	(35,648)
Total revenue from contracts with customers	2,19,757	2,49,825

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

(b) Disaggregation of Revenue:

The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time.

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Goods transferred at a point in time	2,18,700	2,49,825
Services transferred at a point in time	1,057	-

- (c) The amount of revenue recognised during the year against the advance from customers outstanding at the beginning of the year is ₹ 3,785 (March 31, 2024: ₹ 4,665). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

41. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Parent Company's Board of Directors.

The Parent Company declares and pays dividend in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes.

The amount of per share dividend recognised as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Final dividend for FY 2022-23	-	0.70
Final dividend for FY 2023-24	0.70	-

During the year ended March 31, 2025, on account of the final dividend for the financial year 2023-24, the Parent Company has incurred a net cash outflow of ₹ 915.

42. In the Extra-ordinary General meeting held on April 23, 2022, the shareholders approved the issuance of 1,32,07,548 equity shares at a price of ₹ 265/- per share, (including premium of ₹ 263/- per share) on a preferential basis to PI Opportunities Fund -1 Scheme II. Consequently, the Securities Allotment Committee of the Board of Directors allotted the said shares on May 07, 2022. Pursuant to the above allotment, the paid-up equity share capital of the parent Company increased from ₹ 2,350 to ₹ 2,614, divided into 13,07,07,548 equity shares of ₹ 2/- each.



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43. Capital Work-in-Progress:

(a) Capital Work-in-Progress:

Particulars	Amount (₹)
Balance as on April 01, 2023	9,918
Add: Additions	21,279
Less: Transfer to property, plant and equipment	29,727
Balance as on March 31, 2024	1,470
Add: Additions	17,910
Less: Transfer to property, plant and equipment	7,056
Balance as on March 31, 2025	12,324

(b) Capital Work-in-Progress ageing schedule:

Ageing for capital work-in-progress as at March 31, 2025 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	11,405	183	638	98	12,324

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	678	660	49	83	1,470

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

(c) Capitalisation of expenditure:

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/Capital work-in-progress (CWIP) in the course of its construction.

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Expenditure during construction for projects		
Finance costs	-	108
Total expenditure during construction for projects	-	108
Less: Sale of products/Other income	-	-
Add: Balance at the beginning of the year	-	284
Less: Capitalised during the year	-	(392)
Closing balance included in CWIP	-	-

Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.



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44. Relationship with struck off companies:

Name of Struck off Company	Relationship	Nature of transactions	Transactions during the year ended March 31, 2025	Transactions during the year ended March 31, 2024	Balance outstanding as at March 31, 2025 *	Balance outstanding as at March 31, 2024 *	
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		-	-	(0.10)	(0.10)		
Ninad Holding Private Limited		-	-	46 No's	46 No's		
Ninad Holding Pvt. Ltd.		-	-	125 No's	125 No's		
Fairgrowth Investments Limited		-	-	34 No's	34 No's		
Cosmat Investments Private Limited		-	-	20 No's	20 No's		
Skyline Promoters Private Limited		-	-	15 No's	15 No's		
LYNX Mutual Funds Limited		-	-	13 No's	13 No's		
Rockland Leasing Limited		-	-	11 No's	11 No's		
Baps (India) Trading Private Limited		-	-	11 No's	11 No's		
Micronet Software Services Private Limited		-	-	10 No's	10 No's		
Silver Arrow Investments Private Limited		-	-	9 No's	9 No's		
Devika Constructions Private Limited		Shareholders of Andhra Cements Limited	-	-	-	5 No's	5 No's
Paul Dey & Company Private Limited			-	-	-	4 No's	4 No's
Suphala Plantations India Limited			-	-	-	4 No's	4 No's
Sukam Financial Services Private Limited			-	-	-	3 No's	3 No's
GPS Commercial Private Limited			-	-	-	3 No's	3 No's
Sindhudurg Investments Private Limited			-	-	-	3 No's	3 No's
HI-LEA Finance Limited			-	-	-	3 No's	3 No's
Victor Properties Private Limited	-		-	-	1 No	1 No	
Aravali Commercial Private Limited	-		-	-	1 No	1 No	
Mifco Credits & Securities Limited	-		-	-	1 No	1 No	
Pranajali Investment & Trading Co Private Limited	-	-	-	1 No	1 No		
Baps (India) Trading Private Limited	-	-	-	1 No	1 No		
Rajendra Mercantile Private Limited	-	-	-	1 No	1 No		
Rohifin Investment Private Limited	-	-	-	1 No	1 No		
Small Lots Services Limited	Shareholders of Andhra Cements Limited	-	-	-	1 No	1 No	
HPM Investments Limited		-	-	-	1 No	1 No	
Balbir Leasing Private Limited		-	-	-	1 No	1 No	
Kay Bee Finvest Private Limited		-	-	-	1 No	1 No	

* Negative amount indicates payable.



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- 45.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 46.** Political contributions amounting to ₹ Nil (March 31, 2024: ₹ 250), which includes ₹ Nil (March 31, 2024: ₹ 250) contributed through electoral bonds made in accordance with Section 182 of the Companies Act, 2013. The Group has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Group prior to the Hon'ble Supreme Court judgement pronounced on February 15, 2024.
- 47.** The Parent Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the initial requirement of Minimum Public Shareholding (MPS) by ACL. Accordingly, shareholding of the Company in ACL reduced from 95% to 90%. The Company registered a short-term capital gain of ₹ 3,189 from the OFS, which was classified as 'Other Income'.
- 48.** Exceptional item represents the following items which have been debited/(credited) to consolidated statement of profit and loss:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Fuel & Power Cost Adjustment (Refer note (i) below)	2,717	-
Impairment reversal (Refer note (ii) below)	-	(1,479)
Total	2,717	(1,479)

Notes:

- (i) During the year, the Andhra Pradesh Electricity Regulatory Commission issued orders dated October 25, 2024 & November 29, 2024 to recover the True up of the Fuel and Power Purchase Cost Adjustment (FPPCA) from the years 2022-23 onwards. The amounts for FY 2022-23 and FY 2023-24 have been recorded in the current year.
- (ii) Impairment reversal recorded based on remeasurement of certain assets at fair value as per the agreement entered by the subsidiary, Andhra Cements Limited.
- 49.** The Subsidiary Company, Sagar Cements (M) Private Limited is eligible for an incentive from Madhya Pradesh Industrial Development Corporation Limited (MPIDCL) based on its production and employment generation. Such incentive is in the nature of government grant and hence the Group has recognised ₹ 4,605 under "Other operating income" during the financial year.

50. Other statutory information

- (i) The Group does not have any Benami property, nor any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Parent Company and Subsidiary Companies has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) 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:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

All amounts are in ₹ Lakhs unless otherwise stated

- (v) The Parent Company and Subsidiary Companies has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vii) The Group has not surrendered or disclosed any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51. These consolidated financial statements were approved by the Company's Board of Directors on May 12, 2025.

For and on behalf of the Board of Directors of
Sagar Cements Limited

Dr. S. Anand Reddy

Managing Director
DIN: 00123870

J. Raja Reddy

Company Secretary
M. No. A31113

Place: Hyderabad

Date: May 12, 2025

S. Sreekanth Reddy

Joint Managing Director
DIN: 00123889

K. Prasad

Chief Financial Officer