



INDEPENDENT AUDITOR’S REPORT

To The Members of Sagar Cements Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sagar Cements Limited** (the “Company”), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (“SA”) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor’s Response
1.	<p>Revenue from Operations – Sales made to trade customers/dealers from godown/warehouse:</p> <p>(Refer Note 20 to the standalone 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>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>	<p>Principle audit procedures performed included the following:</p> <ul style="list-style-type: none"> – Evaluated the Company’s accounting policy for revenue recognition as per the Indian Accounting Standard (Ind AS). – Obtained an understanding of the management’s process and evaluated the design and tested the implementation and operating effectiveness of the Company’s internal financial controls over the revenue recognition process. – The Company 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. – Performed substantive testing by selecting samples from individual sale transactions recorded during the year and verified the underlying documents pertaining to conditions related to acceptance of goods, transfer of control and receipt against the same. – Performed reconciliation of sales recorded with statutory records of the Company. – Compared the sales made to trade customers/dealers 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.



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

- ◆ The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Board's Report, 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 standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- ◆ In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- ◆ If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash

flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

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

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

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



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

- ◆ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.



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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 46(v) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 46(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

The company has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 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 our audit we did not come across any instance of the audit trail feature being tampered with.

Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

C Manish Muralidhar
(Partner)
(Membership No. 213649)
(UDIN: 25213649BMOENB6515)

Place: Hyderabad
Date: May 12, 2025



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls with reference to standalone financial statements of **Sagar Cements Limited** (the “Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly 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.



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

C Manish Muralidhar
(Partner)

Place: Hyderabad
Date: May 12, 2025

(Membership No. 213649)
(UDIN: 25213649BMOENB6515)



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use of assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a programme of verification of property, plant and equipment, capital work-in-progress and right-of-use of assets so as to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed/transfer deed provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress, are held in the name of the Company as at the

balance sheet date. Immovable properties of land whose title deeds have been pledged as security against non-convertible debentures issued, are held in the name of the Company based on the confirmations directly received by us from custodian.

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (except for goods-in-transit), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its
- (iii) The Company has made investments in, provided guarantee or security and granted unsecured loans to companies during the year, in respect of which:
- (a) The Company has made investments in, provided loans, stood guarantee, or provided security during the year and details of which are given below:

operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

Particulars	Investment	Loans	Guarantees	Security
(₹ Lakhs)				
Aggregate amount granted/provided during the year:				
- Subsidiaries	-	6,267	4,000	-
- Others	-	147	-	-
Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	48,665	16,032	1,07,500	15,879
- Others	-	156	-	-



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per the stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Goods and Service tax dues.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.



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(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

(₹ Lakhs)

Name of the Statute	Nature of the dues	Amount unpaid	Amount paid under protest	Period to which the amount relates	Forum where Dispute is pending
Central Excise Act, 1944	Excise Duty	280	46	2011-12 and 2012-13	Customs Excise & Service Tax Appellate Tribunal
		450	33	2016-2017	Commissioner of central tax
		133	-	2015-16 and 2016-17	Commissioner of Appeals
Sales Tax and VAT laws	Sales Tax and VAT	15	5	1999-2000	Sales Tax Appellate Tribunal
		243	52	2008-09 to 2010-11 and 2017-18 to 2018-19	High Court of Telangana and Andhra Pradesh
Customs Act, 1962	Customs Duty	189	4	2012-13	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	28	-	2008-09 to 2009-10	Income Tax Appellate Tribunal
		3,846	157	2011-12 and 2013-14	Commissioner of Income Tax (Appeals), Bangalore
Local Areas Act, 2001	Entry Tax	470	1,068	2011-12 to 2012-13 and 2015-16 to 2017-18	Commissioner of Income Tax (Appeals), Hyderabad
		94	33	2012-13 to 2017-18	High Court of Telangana and Andhra Pradesh
Central Goods & Service Tax, 2017	GST	3	0*	2017-18	Additional Commissioner of State Tax (Appeals at Odisha)
		21	2	2018-19	Additional Commissioner (Appeals), Hyderabad
		9	1	2018-19	Additional Commissioner of Central Tax (Appeals at Chennai)
		17	-	2018-19	Joint/Additional Commissioner of Central Tax (Appeals)
		0*	-	2019-20	High Court of Andhra Pradesh
		40	-	2020-21	Assistant Commissioner (Solapur division)
43	3	2017-18 to 2021-22	Joint Commissioner, GST		

* The amounts which are less than ₹0.50 has been rounded off to zero.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries.



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| <p>(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.</p> <p>(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.</p> <p>(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.</p> <p>(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.</p> <p>(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.</p> <p>(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.</p> <p>(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.</p> <p>(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.</p> | <p>(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.</p> <p>(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2025 and the final internal audit reports were issued after the balance sheet date covering the period April 2024 to March 2025 for the period under audit.</p> <p>(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.</p> <p>(xvi) (a) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.</p> <p>(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.</p> <p>(xvii) The Company has incurred cash losses amounting to ₹ 863 Lakhs in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.</p> <p>(xviii) There has been no resignation of the statutory auditors of the Company during the year.</p> <p>(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board</p> | <p>of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.</p> <p>(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.</p> |
|--|---|---|

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

C Manish Muralidhar
Partner

(Membership No. 213649)
(UDIN: 25213649BMOENB6515)

Place: Hyderabad
Date: May 12, 2025



STANDALONE 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	140,090	147,362
(b) Right-of-use assets	3	2,357	584
(c) Capital work-in-progress	40	1,601	1,440
(d) Goodwill	4B	3,938	3,938
(e) Intangible assets			
(i) Mining rights	4A	1,682	1,850
(ii) Other Intangible assets	4A	29	38
(f) Financial assets			
(i) Investments	5	48,665	48,665
(ii) Loans	6	16,109	11,024
(iii) Other financial assets	7	2,823	2,774
(g) Income tax assets (net)	28	1,542	1,551
(h) Other non-current assets	8	527	924
Total Non-current assets		219,363	220,150
Current assets			
(a) Inventories	9	17,893	20,703
(b) Financial assets			
(i) Trade receivables	10	15,480	16,361
(ii) Cash and cash equivalents	11	6,658	15,583
(iii) Bank balances other than cash and cash equivalents	12	6,392	7,154
(iv) Loans	6	79	86
(v) Other financial assets	7	1,367	2,049
(c) Other current assets	8	4,901	5,612
Total Current assets		52,770	67,548
TOTAL ASSETS		272,133	287,698
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,614	2,614
(b) Other equity	14	158,522	167,913
Total Equity		161,136	170,527
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	14,843	23,175
(ia) Lease liabilities	35	1,232	79
(ii) Other financial liabilities	16	9,502	11,163
(b) Provisions	17	1,311	965
(c) Deferred tax liabilities (net)	28	5,560	10,799
(d) Other non-current liabilities	19	325	229
Total Non-current liabilities		32,773	46,410

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	33,487	24,620
(ia) Lease liabilities	35	449	28
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		2,104	4,593
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		31,652	31,899
(iii) Other financial liabilities	16	1,409	971
(b) Other current liabilities	19	8,143	7,143
(c) Provisions	17	385	489
(d) Income tax liabilities (net)	28	595	1,018
Total Current liabilities		78,224	70,761
Total Liabilities		110,997	117,171
TOTAL EQUITY AND LIABILITIES		272,133	287,698
The accompanying notes are an integral part of these financial statements	1		

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

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

C Manish Muralidhar
Partner
Membership No: 213649

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

Place: Hyderabad
Date: May 12, 2025

Place: Hyderabad
Date: May 12, 2025

J. Raja Reddy
Company Secretary
M. No. A31113

K. Prasad
Chief Financial Officer



STANDALONE 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	20	156,664	190,755
II Other income	21	2,663	5,391
III Total Income (I + II)		159,327	196,146
IV Expenses			
(a) Cost of materials consumed	22	34,134	41,238
(b) Purchases of stock-in-trade	23A	1,009	2,747
(c) Changes in inventories of finished goods and work-in-progress	23B	1,668	(4,357)
(d) Employee benefits expense	24	9,898	8,895
(e) Finance costs	25	8,149	7,509
(f) Depreciation and amortisation expenses	26	11,942	11,651
(g) Power and fuel expense		51,156	65,722
(h) Freight and forwarding expense		31,716	34,846
(i) Other expenses	27	21,389	23,394
Total Expenses		171,061	191,645
V (Loss)/profit before exceptional items and tax (III - IV)		(11,734)	4,501
VI Exceptional Items	27A	2,091	-
VII (Loss)/ profit before tax (V - VI)		(13,825)	4,501
VIII Tax expense			
(a) Current tax	28	-	890
(b) Deferred tax	28	(5,277)	494
Total Tax expense		(5,277)	1,384
IX (Loss)/ profit after tax (VII - VIII)		(8,548)	3,117

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
X Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain on defined benefits plan	33	110	(143)
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(38)	50
Other comprehensive income/(loss) for the year, net of tax		72	(93)
XI Total comprehensive (loss)/income (IX + X)		(8,476)	3,024
XII Earnings per equity share (Face value of ₹ 2 each fully paid (March 31, 2024: ₹ 2 each fully paid))			
Basic and Diluted	36	(6.54)	2.38
The accompanying notes are an integral part of these financial statements	1		

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

C Manish Muralidhar
Partner
Membership No: 213649

Place: Hyderabad
Date: May 12, 2025

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

Dr. S. Anand Reddy
Managing Director
DIN: 00123870

Place: Hyderabad
Date: May 12, 2025

S. Sreekanth Reddy
Joint Managing Director
DIN: 00123889

K. Prasad
Chief Financial Officer



STANDALONE 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	Reserves and surplus				Other items of other comprehensive income	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at March 31, 2023	35	88,351	3,598	73,892	(72)	165,804
Profit for the year	-	-	-	3,117	-	3,117
Dividend on equity shares (Refer note 39)	-	-	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 50)	-	-	-	-	(93)	(93)
Balance as at March 31, 2024	35	88,351	3,598	76,094	(165)	167,913

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Loss for the year	-	-	-	(8,548)	-	(8,548)
Dividend on equity shares (Refer note 39)	-	-	-	(915)	-	(915)
Other comprehensive income for the year (net of tax ₹ 38)	-	-	-	-	72	72
Balance as at March 31, 2025	35	88,351	3,598	66,631	(93)	158,522

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

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



STANDALONE 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)/profit before tax for the year	(13,825)	4,501
Adjustments for:		
Depreciation and amortisation expenses	11,942	11,651
Finance costs	8,149	7,509
Interest income	(2,642)	(2,092)
Liabilities no longer required written back	(1)	(9)
Advances written off	5	-
Gain on sale of investments (Refer note 5)	-	(3,189)
Expected credit loss allowance on trade receivables	(136)	-
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	(20)	(74)
Net loss on fair value change in financial instruments	56	10
Loss on sale of property, plant and equipment (net)	5	65
	<u>18,397</u>	<u>14,821</u>
Operating profit before working capital changes	4,572	19,322
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	1,017	(2,294)
Inventories	2,699	1,469
Other financial assets	(63)	(880)
Other assets	(50)	2,593
	<u>3,603</u>	<u>888</u>
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(2,715)	12,480
Other financial liabilities	(1,225)	2,138
Provisions	352	117
Other liabilities	1,000	164
	<u>(2,588)</u>	<u>14,899</u>
Cash generated from operating activities	5,587	35,109
Less: Income tax paid	(414)	(913)
Net cash generated from operating activities	5,173	34,196

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
B Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(4,155)	(9,868)
Deposits not considered as cash and cash equivalents		
– Placed	762	(4,488)
– Matured	-	376
Movement in other bank balances	8	-
Proceeds from sale of property, plant and equipment	25	168
Proceeds from sale of investments (Refer note 5)	-	4,885
Unsecured loans given to subsidiaries	(6,267)	(4,000)
Proceeds from unsecured loans given to subsidiaries	1,165	-
Interest received	3,148	1,154
	<u>(5,314)</u>	<u>(11,773)</u>
Net cash used in investing activities	(5,314)	(11,773)
C Cash flow from financing activities		
Proceeds from non-current borrowings	88	623
Repayment of non-current borrowings	(10,211)	(9,276)
Loans given to employees (net)	24	(79)
Proceeds/(Repayment) from current borrowings (net)	10,658	(2,653)
Repayment of lease liabilities	(399)	(165)
Interest paid	(8,029)	(7,481)
Dividends paid	(915)	(915)
	<u>(8,784)</u>	<u>(19,946)</u>
Net cash used in financing activities	(8,784)	(19,946)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(8,925)	2,477
Cash and cash equivalents at the beginning of the year	<u>15,583</u>	<u>13,106</u>
Cash and cash equivalents at the end of the year (Refer note 11)	6,658	15,583
Note:		
Cash and cash equivalents comprises of:		
Cash in hand	2	3
Balances with banks	107	89
Deposits with banks	6,549	15,491
	<u>6,658</u>	<u>15,583</u>
Cash and cash equivalents (Refer note 11)	6,658	15,583



STANDALONE 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)	33,334	88	(10,211)	-	23,211
Loan from related party and others	193	-	-	-	193
Current borrowings	14,461	10,658	-	-	25,119
Total liabilities from financing activities	47,988	10,746	(10,211)	-	48,523

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)	41,987	623	(9,276)	-	33,334
Loan from related party and others	193	-	-	-	193
Current borrowings	17,114	-	(2,653)	-	14,461
Total liabilities from financing activities	59,294	623	(11,929)	-	47,988

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	107	1,896	77	(399)	1,681

Particulars	As at April 01, 2023	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2024
Lease liabilities	247	16	9	(165)	107

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

b) Material accounting policies

i) Statement of compliance

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

ii) Basis of preparation and presentation

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

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

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

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

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

iii) Functional and Presentation currency

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

Rounding of amounts

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

iv) Use of estimates and Judgements

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

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:



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

◆ Defined benefit plans

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

◆ Recognition of deferred tax assets and liabilities

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

◆ Fair value measurement of Financial instruments

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

◆ Provisions and contingencies

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

management and in certain cases with the support of external specialised lawyers.

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

◆ Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



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

All amounts are in ₹ Lakhs unless otherwise stated

◆ Impairment of investments in subsidiaries

Determining whether the investments in subsidiaries, are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

◆ Inventories

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

◆ Expected credit losses

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

◆ Mining rights

The Company has used cost saving method for value analysis of limestone mining rights. The valuation method estimates the value of future savings in limestone cost over the life of the

mine accruing to the Company, by virtue of the transaction instead of procuring the limestone via open market. 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.

v) Business combination

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

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 Company 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
- ◆ 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.



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

The resulting post-tax cash flows for each of the years are recognised at their present value using a Weighted Average Cost of Capital ('WACC') relating to the risk of achieving the mine's projected savings. 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.

vi) Goodwill

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

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

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

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

vii) Revenue recognition:

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

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

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

Generation of Power:

In case of power generation, revenue from sale of energy is recognised on accrual basis. Claims for delayed payment charges and any other claims, which the



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Company is entitled to, on grounds of prudence are accounted on admittance basis.

Dividend and interest income

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

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

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

viii) Borrowing costs

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

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

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

ix) Government grants

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

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

x) Employee benefits

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

Defined Contribution Plans:

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

Defined Benefit Plans:

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the

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

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

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

Compensated Absences:

The employees of the Company are entitled to compensate absences. The employees can carry-forward a portion of the unutilised accrued compensated absence and utilise it in future periods or receive cash compensation at retirement or termination of employment for the unutilised



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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.

xi) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'net profit' as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

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

Deferred tax

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

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

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

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

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

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.



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xii) 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 property, plant and equipment 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 Company's accounting policy. Such Capital works in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

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

Class of asset	Useful lives
Railway siding	25 years
Plant and machinery	
– Power plant	10 - 40 years
– Other than power plant	3 - 25 years
Electrical installations	15 - 40 years

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

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

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

Land-Restoration:

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



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

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

xiii) Intangible assets and amortisation

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a diminishing balance method over their estimated useful lives for software and mining rights is charged under straight line method over the period of the respective mining agreement. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. 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.

xiv) Inventories

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

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

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

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

Cash comprises cash on hand, in bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. 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 Company 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 Company's cash management. Such overdrafts are presented as short-term borrowings in the balance sheet.

xvi) Foreign currency transactions and translations:

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

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

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

xvii) Financial Instruments:

(A) Initial recognition:

Financial assets and financial liabilities are recognized when a Company 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 other than investment in equity instruments of subsidiaries to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

d. Financial liabilities:

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

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

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

(C) De-recognition of financial assets and liabilities:

a. Financial assets:

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

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

b. Financial liabilities:

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

(D) Financial guarantee contract liabilities:

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



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xviii) Derivative Financial Instruments

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

xix) Investment in subsidiaries

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

xx) Impairment of assets

a. Financial assets:

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses 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 Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company'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 Company 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 Company 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 Company'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.

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



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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 Company 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 Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company 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 Company 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 Company 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 Company considers the changes in the risk that the specified debtor will default on the contract.

The Company 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 Company 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 Company, in full (without taking into account any collateral held by the Company).

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

(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);



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- 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 Company 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 Company'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 Company in accordance with the contract and all the cash flows that the Company 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 Company 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 Company expects to receive from the holder, the debtor or any other party.

If the Company 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 Company 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 Company 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 Company 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.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that



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

All amounts are in ₹ Lakhs unless otherwise stated

would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

c. *Impairment of investment in subsidiaries*

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments

xxi) **Earnings per share**

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

xxii) **Provisions, contingent liabilities and contingent assets**

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

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

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

Contingent assets are not recognised 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.

xxiii) **Segment reporting**

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

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

xxiv) **Leases**

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease

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 Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. 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.

xxv) Operating cycle

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

xxvi) New standards and interpretations

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



NOTES TO THE STANDALONE 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	9,784	9,703
Land – restoration	180	127
Buildings	29,587	32,123
Plant and machinery	86,353	89,661
Furniture and fittings	162	153
Office and other equipment	2,858	3,292
Electrical installations	6,083	6,782
Computers	77	97
Vehicles	656	851
Railway siding	4,350	4,573
Total	140,090	147,362

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	9,703	229	51,568	143,157	1,036	8,301	18,565	687	2,048	6,684	241,978
Add: Additions	81	67	536	2,634	46	304	545	31	86	26	4,356
Less: Disposals	-	-	-	14	-	111	29	-	145	-	299
Balance as at March 31, 2025	9,784	296	52,104	145,777	1,082	8,494	19,081	718	1,989	6,710	246,035
II. Accumulated depreciation											
Opening Balance	-	102	19,445	53,496	883	5,009	11,783	590	1,197	2,111	94,616
Add: Charge for the year	-	14	3,072	5,939	37	726	1,237	51	273	249	11,598
Less: Eliminated on disposal of assets	-	-	-	11	-	99	22	-	137	-	269
Balance as at March 31, 2025	-	116	22,517	59,424	920	5,636	12,998	641	1,333	2,360	105,945
Net block (I-II)											
Carrying value as at March 31, 2025	9,784	180	29,587	86,353	162	2,858	6,083	77	656	4,350	140,090
Carrying value as at March 31, 2024	9,703	127	32,123	89,661	153	3,292	6,782	97	851	4,573	147,362



NOTES TO THE STANDALONE 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	9,803	229	44,908	137,469	1,014	7,128	17,818	610	1,437	6,684	227,100
Add: Additions	8	-	6,660	5,807	22	1,338	773	77	720	-	15,405
Less: Disposals	108	-	-	119	-	165	26	-	109	-	527
Balance as at March 31, 2024	9,703	229	51,568	143,157	1,036	8,301	18,565	687	2,048	6,684	241,978
II. Accumulated depreciation											
Opening Balance	-	91	16,303	47,869	848	4,511	10,492	529	1,082	1,862	83,587
Add: Charge for the year	-	11	3,142	5,657	35	637	1,313	61	218	249	11,323
Less: Eliminated on disposal of assets	-	-	-	30	-	139	22	-	103	-	294
Balance as at March 31, 2024	-	102	19,445	53,496	883	5,009	11,783	590	1,197	2,111	94,616
Net block (I-II)											
Carrying value as at March 31, 2024	9,703	127	32,123	89,661	153	3,292	6,782	97	851	4,573	147,362
Carrying value as at March 31, 2023	9,803	138	28,605	89,600	166	2,617	7,326	81	355	4,822	143,513

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 ₹ 1,39,175 (March 31, 2024: ₹ 1,46,384) 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 15A and 15B.
- (ii) Vehicles and certain other equipment with carrying amount of ₹ 735 (March 31, 2024: ₹ 851) are hypothecated to respective banks against loans. Refer note 15A and 15B.

2. The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its Property, plant and equipment.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS 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	259	35
Land	541	549
Plant and Machinery*	1,557	-
Total	2,357	584

For the year 2024-25

Particulars	Buildings	Land	Plant and Machinery *	Total
I. Gross block				
Opening Balance	85	593	-	678
Add: Additions	367	-	1,573	1,940
Less: Deletion	16	-	-	16
Balance as at March 31, 2025	436	593	1,573	2,602
II. Accumulated depreciation				
Opening Balance	50	44	-	94
Add: Charge for the year	143	8	16	167
Less: Deletion	16	-	-	16
Balance as at March 31, 2025	177	52	16	245
Net block (I-II)				
Carrying value as at March 31, 2025	259	541	1,557	2,357
Carrying value as at March 31, 2024	35	549	-	584

For the year 2023-24

Particulars	Buildings	Land	Plant and Machinery *	Total
I. Gross block				
Opening Balance	437	593	-	1,030
Add: Additions	16	-	-	16
Less: Deletion	368	-	-	368
Balance as at March 31, 2024	85	593	-	678
II. Accumulated depreciation				
Opening Balance	272	35	-	307
Add: Charge for the year	146	9	-	155
Less: Deletion	368	-	-	368
Balance as at March 31, 2024	50	44	-	94
Net block (I-II)				
Carrying value as at March 31, 2024	35	549	-	584
Carrying value as at March 31, 2023	165	558	-	723

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)
Buildings	2-10
Land	69



NOTES TO THE STANDALONE 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	1,682	1,850
Other intangible assets		
– Computer software	29	38
Total	1,711	1,888

For the year 2024-25

Particulars	Mining rights	Computer software	Total
I. Gross block (at cost)			
Opening Balance	3,276	440	3,716
Add: Additions	-	-	-
Less: Disposals	-	-	-
Balance as at March 31, 2025	3,276	440	3,716
II. Accumulated amortisation			
Opening Balance	1,426	402	1,828
Add: Charge for the year	168	9	177
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2025	1,594	411	2,005
Net block (I-II)			
Carrying value as at March 31, 2025	1,682	29	1,711
Carrying value as at March 31, 2024	1,850	38	1,888

For the year 2023-24

Particulars	Mining rights	Computer software	Total
I. Gross block (at cost)			
Opening Balance	3,276	427	3,703
Add: Additions	-	13	13
Less: Disposals	-	-	-
Balance as at March 31, 2024	3,276	440	3,716
II. Accumulated amortisation			
Opening Balance	1,258	397	1,655
Add: Charge for the year	168	5	173
Less: Eliminated on disposal of assets	-	-	-
Balance as at March 31, 2024	1,426	402	1,828

Particulars	Mining rights	Computer software	Total
Net block (I-II)			
Carrying value as at March 31, 2024	1,850	38	1,888
Carrying value as at March 31, 2023	2,018	30	2,048

Notes:

1. The Company has not revalued its intangible assets.
2. Computer software are amortised over the estimated useful lives of 6 years.
3. Mining rights are amortised over the period as stipulated in the 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	3,873	3,873
Jajpur Unit	65	65
Total	3,938	3,938

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 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.



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

All amounts are in ₹ Lakhs unless otherwise stated

5. Investments in subsidiaries (measured at cost)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Investments in subsidiaries (measured at cost)				
Investments in equity instruments (Unquoted)				
Face Value of ₹10 each fully paid:				
Sagar Cements (M) Private Limited (65%, (March 31, 2024: 65%) shareholding) (Refer note (i) below)	3,273,773	17,419	3,273,773	17,419
Investments in equity instruments (Quoted)				
Face Value of ₹10 each fully paid:				
Andhra Cements Limited (90%, (March 31, 2024: 90%) shareholding) (Refer note (ii), (v) below)	82,954,926	31,246	82,954,926	31,246
		48,665		48,665
Aggregate amount of unquoted investments		17,419		17,419
Aggregate amount of quoted investments		31,246		31,246
Market value of quoted investments		40,764		64,497

Notes:

- Includes investment of ₹470 (March 31, 2024: ₹470) on account of fair valuation of corporate guarantee given by the Company on behalf of Sagar Cements (M) Private Limited, a subsidiary Company.
- Includes investment of ₹719 (March 31, 2024: ₹719) on account of fair valuation of corporate guarantee given by the Company on behalf of Andhra Cements Limited, a subsidiary Company.
- The Company has complied with the number of layers prescribed under clause 87 of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.
- 15,10,972 (as at March 31, 2024: 15,10,972) number of shares held as investments in Sagar Cements (M) Private Limited with carrying amount of ₹7,823 (as at March 31, 2024: ₹7,823) and 2,18,90,883 (as at March 31, 2024: 2,18,90,883) number of shares held as investments in Andhra Cements Limited with carrying amount of ₹8,056 (as at March 31, 2024: ₹8,056) have been pledged with the lenders towards borrowings availed by the respective subsidiaries.
- During the financial year ended March 31, 2024, the Company has made Offer For Sale (OFS) through stock exchange mechanism for its investment in Andhra Cements Limited (ACL) to meet the initial requirement of Minimum Public Shareholding (MPS) by ACL. Accordingly, shareholding of the Company in ACL reduced from 95% to 90%. The Company registered a short-term capital gain of ₹3,189 from the OFS, which was classified as 'Other Income'.

6. Loans (Unsecured, considered good)

Particulars	As at March 31, 2025		As at March 31, 2024	
Measured at amortised cost				
Non-current				
Loans to Subsidiary Companies (Refer note 32 and 34)		16,032		10,930
Loans to employees		77		94
Total		16,109		11,024
Current				
Loans to employees		79		86
Total		79		86
Total loans		16,188		11,110

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.

7. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2025		As at March 31, 2024	
Non-current				
Security deposits		2,822		2,765
Balances held as margin money deposit against borrowings (Refer note (i) below)		1		9
Total		2,823		2,774
Current				
Security deposits		294		294
Advances to employees		77		76
Interest accrued but not due (Refer note (ii) below)		996		1,679
Total		1,367		2,049
Total other financial assets		4,190		4,823

Note:

- Held as securities or earmarked for issue of bank guarantees/letter of credit/margin money.
- Includes ₹829 (As at March 31, 2024: ₹1,510) interest receivable from related party. Also refer note 34.



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

All amounts are in ₹ Lakhs unless otherwise stated

8. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances		
Unsecured considered good	143	419
Considered doubtful	446	400
Less: Provision for advances	(446)	(400)
	143	419
Advances to suppliers and service providers		
Unsecured considered good	-	71
Considered doubtful	71	-
Less: Provision for advances	(71)	-
	-	71
Prepaid expenses	187	240
Balances with government authorities	197	194
Total	527	924
Current		
Advances to suppliers and service providers (Refer note below)		
Unsecured considered good	3,105	2,678
Considered doubtful	111	50
Less: Provision for advances	(111)	(50)
	3,105	2,678
Prepaid expenses	950	810
Balances with government authorities	74	602
Excise duty refund receivable	194	194
Incentives receivable from government		
Unsecured, considered good	578	1,328
Considered doubtful	3,409	2,659
Less: Provision for incentives receivable from government	(3,409)	(2,659)
Total	4,901	5,612
Total other assets	5,428	6,536

Note: Includes ₹2,182 (As at March 31, 2024: ₹20) advances given to related party. Also refer note 34.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	1,427	950
Coal	5,716	3,989
Work-in-progress	3,869	5,749
Stores and spares	4,398	4,601
Packing materials	521	590
Finished goods	1,717	1,505
Total (A)	17,648	17,384
Goods-in-transit:		
Raw materials	30	2
Coal	102	3,275
Packing materials	36	42
Stores and spares	77	-
Total (B)	245	3,319
Total inventories (A+B)	17,893	20,703

Note:

- Refer note 1(b)(xiv) for basis of valuation of inventory.
- ₹ 111 (As at March 31, 2024: ₹ Nil) 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 ₹ 17,893 (As at March 31, 2024: ₹ 20,703) have been pledged as security. Refer note 15A and 15B for the details of borrowings.

10. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good – Secured	3,035	3,874
Trade receivables considered good – Unsecured	12,445	12,487
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	1,249	1,385
Sub-total	16,729	17,746
Less: Expected credit loss allowance	(1,249)	(1,385)
Total trade receivables	15,480	16,361

Note: Includes ₹26 (March 31, 2024: ₹258) receivable from related party (Refer note 34) and refer note 15A and 15B for the details of trade receivables pledged.



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

FY 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	9,871	4,702	627	149	45	86	15,480
– which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
– credit impaired	56	69	101	16	273	603	1,118
– which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	131	131
Total	9,927	4,771	728	165	318	820	16,729

FY 2023-24:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables							
– considered good	12,342	3,623	88	153	70	85	16,361
– which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables							
– credit impaired	50	174	84	228	28	690	1,254
– which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	131	131
Total	12,392	3,797	172	381	98	906	17,746



NOTES TO THE STANDALONE 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	1%	1%	14%	10%	86%	90%	7%
Estimated total gross carrying amount at default	9,927	4,771	728	165	318	820	16,729
Lifetime ECL	56	69	101	16	273	734	1,249

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%	5%	49%	60%	29%	91%	8%
Estimated total gross carrying amount at default	12,392	3,797	172	381	98	906	17,746
Lifetime ECL	50	174	84	228	28	821	1,385

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	1,254	131	1,385
Net remeasurement of loss allowance	-	-	-
Amounts recovered	-	-	-
Balance as at March 31, 2024	1,254	131	1,385
Net remeasurement of loss allowance	-	-	-
Amounts recovered	136	-	136
Balance as at March 31, 2025	1,118	131	1,249



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

All amounts are in ₹ Lakhs unless otherwise stated

11. Cash and cash equivalents

Particulars	As at	
	March 31, 2025	March 31, 2024
Cash in hand	2	3
Balances with banks	107	89
Deposits with banks	6,549	15,491
Total Cash and cash equivalents	6,658	15,583

12. Other bank balances

Particulars	As at	
	March 31, 2025	March 31, 2024
Unpaid dividend account	30	38
Margin money deposits (Refer note below)	6,362	7,116
Total Other bank balances	6,392	7,154

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

13. 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)	1,247,500,000	24,950	1,247,500,000	24,950
Preference share capital				
Authorised:				
Preference shares of ₹10 each (March 31, 2024: Preference Shares of ₹10 each)	43,000,000	4,300	43,000,000	4,300
Issued, subscribed and fully paid:				
Equity shares of ₹2 each (March 31, 2024: Equity Shares of ₹2 each) (Refer note (a) below)	130,707,548	2,614	130,707,548	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	130,707,548	2,614	130,707,548	2,614
Changes in share capital during the year	-	-	-	-
Closing balance	130,707,548	2,614	130,707,548	2,614

(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.



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

All amounts are in ₹ Lakhs unless otherwise stated

(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	25,668,790	19.64%	25,668,790	19.64%
PI Opportunities Fund I Scheme II	13,207,548	10.10%	13,207,548	10.10%
R V Consulting Services Private Limited	12,078,125	9.24%	12,078,125	9.24%
Aruna Sammidi	7,619,850	5.83%	7,619,850	5.83%
Rachana Sammidi	6,608,540	5.06%	6,608,540	5.06%
Anand Reddy Sammidi	7,304,745	5.59%	7,304,745	5.59%
Sreekanth Reddy Sammidi	6,992,681	5.35%	6,969,140	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	12,078,125	9.24%	-	12,078,125	9.24%	3.11%
Aruna Sammidi	7,619,850	5.83%	-	7,619,850	5.83%	0.59%
Anand Reddy Sammidi	7,304,745	5.59%	-	7,304,745	5.59%	0.59%
Sreekanth Reddy Sammidi	6,992,681	5.35%	0.02%	6,969,140	5.33%	0.59%
Rachana Sammidi	6,608,540	5.06%	-	6,608,540	5.06%	0.59%
Vanajatha Sammidi	4,953,845	3.79%	-	4,953,845	3.79%	-
Sagar Priya Housing And Industrial Enterprises Limited	4,300,000	3.29%	-	4,300,000	3.29%	-
Siddarth Sammidi	4,109,490	3.14%	-	4,109,490	3.14%	-
Aneesh Reddy Sammidi	4,109,485	3.14%	-	4,109,485	3.14%	-
Malathi Reddy Wdaru	1,888,500	1.44%	-	1,888,500	1.44%	(1.45%)
Madhavi Nadikattu	1,469,000	1.12%	-	1,469,000	1.12%	(0.92%)
Andhra Pradesh Industrial Development Corporation Limited	1,566,425	1.20%	-	1,566,425	1.20%	-
Panchavati Polyfibres Limited	157,500	0.12%	-	157,500	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.



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

All amounts are in ₹ Lakhs unless otherwise stated

14. Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	35	35
Securities premium	88,351	88,351
General reserve	3,598	3,598
Retained earnings	66,631	76,094
Other items of other comprehensive income	(93)	(165)
Total other equity	158,522	167,913

Movement in other equity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Capital reserve	35	35
(b) Securities premium	88,351	88,351
(c) General reserve	3,598	3,598
(d) Retained earnings		
(i) Opening balance	76,094	73,892
(ii) (Loss)/profit for the year	(8,548)	3,117
	67,546	77,009
Less: Appropriations		
(i) Dividend on equity shares (Refer note 39)	915	915
	66,631	76,094
(e) Other items of other comprehensive income		
(i) Opening balance	(165)	(72)
(ii) Other comprehensive income for the year	72	(93)
	(93)	(165)
Total	158,522	167,913

Nature of reserves

(a) Capital Reserve

This represents subsidies received from the government.

(b) Securities premium

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

(c) General reserve

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

(e) Other items of other comprehensive income

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



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

All amounts are in ₹ Lakhs unless otherwise stated

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

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans (Refer note (i) below)	14,843	22,021
Non-convertible debentures (Refer note (ii) below)	-	1,154
Total non current borrowings	14,843	23,175

* Current maturities of non-current borrowings have been 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 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%
Vehicle loans from various banks (Refer note 10 below)	494	23 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(7,215)		
Total	14,843		

As at March 31, 2024:

Bank	Loan outstanding	Terms of repayment	Rate of interest
HDFC Bank Limited (Refer note 1 below)	1,804	26 monthly instalments	8.75%
Tata Capital Financial Services Limited (Refer note 1 below)	3,083	11 quarterly instalments	10.85%
Axis Bank Limited (Refer note 2 below)	8	1 quarterly instalments	9.80%
Axis Bank Limited (Refer note 3 below)	1,247	8 quarterly instalments	9.80%
State Bank of India (Refer note 4 below)	1,198	8 quarterly instalments	10.65%
Axis Bank Limited (Refer note 5 below)	780	22 monthly instalments	9.00%
HDFC Bank Limited (Refer note 6 below)	1,500	24 monthly instalments	9.00%
The Federal Bank Limited (Refer note 7 below)	1,125	6 quarterly instalments	9.80%
The Federal Bank Limited (Refer note 8 below)	541	24 monthly instalments	9.25%
Axis Bank Limited (Refer note 9 below)	17,700	28 quarterly instalments	10.65%
Vehicle loans from various banks (Refer note 10 below)	886	8 to 34 monthly instalments	7.16% to 9.40%
Less: Current maturities of non-current borrowings	(7,851)		
Total	22,021		

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.
- 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.
- 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.
- Term loan is secured by exclusive charge on the assets of 6.00 MW Waste heat recovery power plant, hypothecation of plant & machinery and are guaranteed by Dr. S. Anand Reddy - Managing Director and S. Sreekanth Reddy - Joint Managing Director.



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

All amounts are in ₹ Lakhs unless otherwise stated

- 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.
- 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.
- 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.
- 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.
- 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.
- Vehicle Loans from various banks/financial institutions are secured by the hypothecation of specific assets purchased from those loans.
- The Company has used the borrowings for the purposes for which it was taken.

Note (ii):

Non-Convertible Debentures (NCD) have been issued to International Finance Corporation (IFC). A total of 1,500 NCD's have been issued (₹ 10 lakhs each) aggregating ₹ 15,000. Interest payable on the NCD's is @11.60%. The NCD's were issued on March 23, 2016. Interest is payable at half yearly rest with effect from May 31, 2016. Repayment for the NCD's are to be made in 13 equal half yearly instalments of ₹ 1,154 starting from May 2019 onwards. The 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.

15B Current borrowings (Secured, amortised at cost)

Particulars	As at March 31, 2025	As at March 31, 2024
Loans repayable on demand		
Cash credit facilities (Refer notes below)	25,119	14,461
Current maturities of non-current borrowings (Refer note 15A)	8,368	10,159
Total current borrowings	33,487	24,620

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.).
- 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.).
- 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.).
- The Company has used the borrowings for the purposes for which it was taken.
- The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.



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

All amounts are in ₹ Lakhs unless otherwise stated

16. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Security deposits received (Refer note 2 below)	8,877	10,386
Guarantee obligation	432	584
Loans from others	193	193
Total	9,502	11,163
Current		
Security deposits received (Refer note 2 below)	266	-
Interest accrued but not due on borrowings	474	460
Unclaimed dividends (Refer note 1 below)	30	38
Payables on purchase of property, plant and equipment	395	286
Guarantee obligation	152	177
Others (Salaries, Wages, Bonus and Other Employee Payables, Derivative liability etc.,)	92	10
Total	1,409	971
Total other financial liabilities	10,911	12,134

Notes:

- 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.
- 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.

17. Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity (Refer note 33)	1,117	893
Compensated absences (Refer note 33)	579	561
Total provisions	1,696	1,454
Non-current		
Gratuity	886	590
Compensated absences	425	375
Total	1,311	965
Current		
Gratuity	231	303
Compensated absences	154	186
Total	385	489

18. 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)	2,104	4,593
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	31,652	31,899
Total trade payables	33,756	36,492

Note: Includes ₹ 1,094 (March 31, 2024: ₹ 642) trade payable and includes ₹ 12 (March 31, 2024: ₹ Nil) rent payable to related party (Refer note 34).



NOTES TO THE STANDALONE 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	1,410	694	-	-	-	2,104
(ii) Others	26,809	4,218	107	41	477	31,652
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	28,219	4,912	107	41	477	33,756

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	4,511	82	-	-	-	4,593
(ii) Others	24,165	7,181	76	10	467	31,899
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	28,676	7,263	76	10	467	36,492

19. Other Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Liability for land restoration	325	229
Total	325	229
Current		
Advance from customers	4,818	3,413
Statutory remittances	3,325	3,730
Total	8,143	7,143
Total other liabilities	8,468	7,372

20. 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 38)	153,388	188,482
– Sale of power (Refer note 38)	647	267
– Sale of Services – Contract manufacturing (Refer note 38)	1,057	-
Other operating income		
– Income from trademark and staffing charges to subsidiary	741	681
– Sale of scrap	288	232
– Sale of coal (Refer note 34)	417	966
– Insurance claims	64	45
– Others	62	82
Total revenue from operations	156,664	190,755



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

All amounts are in ₹ Lakhs unless otherwise stated

21. 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	2,642	2,092
Gain on sale of Investments	-	3,189
Liabilities no longer required written back	1	9
Net gain on foreign currency transactions and translation	-	81
Miscellaneous income	20	20
Total other income	2,663	5,391

22. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock	950	2,196
Add: Purchases	34,611	39,992
Less: Closing stock	1,427	950
Total cost of materials consumed	34,134	41,238
Details of materials consumed:		
Limestone	7,154	7,787
Laterite	3,134	4,146
Iron-ore sludge	220	400
Gypsum	1,525	2,056
Fly ash	3,823	4,591
Clinker purchased	2,809	6,739
Slag	6,036	7,080
Others (includes internal clinker transportation charges)	9,523	8,497
Less: Captive consumption	(90)	(58)
Total	34,134	41,238

23A Purchase of Stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cement and Others	1,009	2,747
Total Purchase of stock-in-trade	1,009	2,747

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year:		
Finished goods	1,505	1,304
Work-in-progress	5,749	1,593
	7,254	2,897
Inventories at the end of the year:		
Finished goods	1,717	1,505
Work-in-progress	3,869	5,749
	5,586	7,254
Net decrease/(increase)	1,668	(4,357)

24 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages, including bonus	8,026	7,373
Contribution to provident and other funds (Refer note 33)	975	774
Staff welfare expenses	897	748
Total employee benefits expense	9,898	8,895



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

All amounts are in ₹ Lakhs unless otherwise stated

25. Finance cost

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	5,489	5,804
Interest on deposit from dealers	353	337
Interest on lease liability (Refer note 35)	77	9
Other borrowing cost (Refer note 1 below)	2,230	1,467
Less: Borrowing costs on qualifying assets capitalised	-	(108)
Total finance cost	8,149	7,509

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)	11,598	11,323
Depreciation on right of use assets (Refer note 3 and 35)	167	155
Amortisation of intangible assets (Refer note 4A)	177	173
Total depreciation and amortisation	11,942	11,651

27. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Packing materials consumed	5,754	6,317
Stores and spares consumed	4,019	3,765
Repairs and maintenance		
- Plant & equipment	3,303	3,167
- Buildings	21	54
- Others	1,334	1,110

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Selling expenses	2,287	3,542
Expected credit loss allowance	(136)	-
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	204	222
Insurance	369	349
Rates and taxes	256	264
Expenditure on corporate social responsibility (Refer note 37)	244	290
Payment to auditors (Refer note (i) below)	90	97
Travelling and conveyance	646	655
Security services	431	380
Donations and contributions (Refer note 45)	78	812
Legal and other professional charges	694	717
Administrative expenses	473	360
Printing and stationery	41	105
Communication	87	94
Net Loss on foreign currency transactions and translation	41	-
Net loss on fair value change in financial instruments	56	10
Directors sitting fees	30	30
Loss on sale of plant and equipments	5	65
Miscellaneous expenses	18	39
Total other expenses	21,389	23,394



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

All amounts are in ₹ Lakhs unless otherwise stated

Note:

(i) Payment to auditors (net of taxes) comprises:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
For audit	59	59
For limited reviews	12	12
For other services	16	23
Reimbursement of expenses	3	3
Total	90	97

27A Exceptional items

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
FPPCA charges (Refer note below)	2,091	-
Total exceptional items	2,091	-

Note: 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.

28. Income tax expense

(a) Income tax recognised in the statement of profit & loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
In respect of the current year	-	890
	-	890
Deferred tax		
In respect of current year origination and reversal of temporary differences	(5,277)	494
	(5,277)	494
Total tax expense	(5,277)	1,384

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss)/profit before tax (A)	(13,825)	4,501
Enacted tax rates in India (B)	34.94%	34.94%
Expected tax expense (C = A*B)	(4,830)	1,573
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	(63)	(649)
Effect on expenses disallowed under Income Tax Act, 1961	184	454
Effect on change in depreciation while filing Income tax return	(21)	-
Others	(547)	6
Total	(447)	(189)
At the effective income tax rate	(5,277)	1,384
Total tax expense	(5,277)	1,384



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

All amounts are in ₹ Lakhs unless otherwise stated

(c) 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	21,620	(192)	-	-	21,428
Provision for employee benefits	(437)	(123)	38	-	(522)
Expected credit loss allowance	(484)	48	-	-	(436)
MAT credit entitlement	(8,708)	-	-	-	(8,708)
Others (Refer note below)	(1,103)	(305)	-	-	(1,408)
Carry forward business unabsorbed depreciation and business losses	(89)	(4,705)	-	-	(4,794)
Total Deferred tax liability (Net)	10,799	(5,277)	38	-	5,560

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	20,978	642	-	-	21,620
Provision for employee benefits	(346)	(41)	(50)	-	(437)
Expected credit loss allowance	(484)	-	-	-	(484)
MAT credit entitlement	(8,375)	(333)	-	-	(8,708)
Others (Refer note below)	(782)	(321)	-	-	(1,103)
Carry forward business unabsorbed depreciation and business losses	(636)	547	-	-	(89)
Total Deferred tax liability (Net)	10,355	494	(50)	-	10,799

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



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

All amounts are in ₹ Lakhs unless otherwise stated

(d) 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))	1,542	1,551
Income tax liabilities (Net of advance tax and TDS receivable of ₹ 345 (2023-24: ₹ 814))	(595)	(1,018)
Net Income tax liabilities	947	533

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

a) Contingent Liabilities:

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

- i) Claims against the Company not acknowledged as debt:

Particulars	As at March 31, 2025	As at March 31, 2024
Direct tax matters	5,605	3,051
Indirect tax matters	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 Company 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 March 2016. The Department of Central Excise issued an order and asked to reverse the amount on the ground that the clean energy cess is not specified tax for input CENVAT credit, thus the credit availed on cess is irregular. Based on department's order, the amount of ₹ 1,601 was reversed, but under protest. The 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, 2025, 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 Company is awaiting further clarifications from the judiciary/department in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, as till the date of approval of these financial statements.
- 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	Axis Trustee Services 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 advances)	2,660	2,843



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

Particulars	As at March 31, 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	2,104	4,593
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	-	-*
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.	-	-

* The amounts which are less than ₹ 0.50 has been rounded off to zero.

31. Financial Instruments:

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

A. Capital Management

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

Gearing ratio

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

Description	As at March 31, 2025	As at March 31, 2024
Debt (Refer Note below)	48,330	47,795
Cash and cash equivalents and Other bank balances	13,050	22,737
Net debt	35,280	25,058
Total equity	1,61,136	1,70,527
Net debt to equity ratio	0.22	0.15

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



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

All amounts are in ₹ Lakhs unless otherwise stated

B. Financial instruments:

a) Classification of financial assets and liabilities

The carrying 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) Investments	5	48,665	48,665
(ii) Loans	6	16,188	11,110
(iii) Trade receivables	10	15,480	16,361
(iv) Cash and cash equivalents	11	6,658	15,583
(v) Other bank balances	12	6,392	7,154
(vi) Other financial assets	7	4,190	4,823
Total Financial assets		97,573	1,03,696

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	16	66	10
Measured at amortised cost			
(i) Borrowings	15A & 15B	48,330	47,795
(ii) Trade payables	18	33,756	36,492
(iii) Lease liabilities	35	1,681	107
(iv) Other financial liabilities	16	10,845	12,124
Total Financial liabilities		94,678	96,528

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	16	66	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.



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

All amounts are in ₹ Lakhs unless otherwise stated

C. Financial risk management objectives:

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

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

D. Market risk:

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

Interest rate risk management:

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's Profit for the year ended March 31, 2025 would decrease/increase by ₹ 242 (for the year ended March 31, 2024: decrease/increase by ₹ 239). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange rate risk

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

The carrying amounts of the Companies 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	3,286	7,118
Payables on purchase of property, plant and equipment	135	113
Total	3,421	7,231
Less:		
Derivatives - Foreign Currency forward contracts	3,286	7,118
Net exposure in financial liabilities	135	113
Net exposure in respect of recognised assets/ (liabilities)	(135)	(113)

(Amount in ₹)

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.



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

All amounts are in ₹ Lakhs unless otherwise stated

Name of the shareholder	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2025				
USD (5% Movement)	7	(7)	4	(4)
March 31, 2024				
USD (5% Movement)	6	(6)	4	(4)

E. Credit risk management:

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks by the Company on behalf of its subsidiary. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (Refer Note 29 (b)). The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

F. Liquidity risk management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 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 Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest-bearing short-term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Financing facilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Secured bills acceptance facility, reviewed annually		
– amount used	24,896	23,309
– amount unused	5,904	491
Total	30,800	23,800
Secured bank overdraft facility reviewed annually and payable at call		
– amount used	25,119	14,461
– amount unused	3,036	7,739
Total	28,155	22,200
Secured non-convertible debentures		
– amount used	1,154	3,462
– amount unused	-	-
Total	1,154	3,462
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
– amount used	22,057	29,872
– amount unused	-	-
Total	22,057	29,872

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	33,756	-	-
Other financial liabilities	1,409	756	8,746
Borrowings (including current maturities of non-current borrowings)*	33,487	3,642	11,201

* 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	36,492	-	-
Other financial liabilities	971	782	10,381
Borrowings (including current maturities of non-current borrowings)*	24,620	8,295	14,880

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



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

All amounts are in ₹ Lakhs unless otherwise stated

32. Disclosure as per Regulation 34(3) of the SEBI (Listing obligation and disclosure requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2023:

The details of loans and advances to subsidiary are given below:

Particulars	Balance as at		Maximum amount outstanding during the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Sagar Cements (M) Private Limited (For its requirement of setting up the Cement manufacturing unit and other general corporate purpose, carrying interest @ 10% p.a. (2023-24: 10% p.a.)	6,530	4,930	6,530	4,930
Andhra Cements Limited (For its requirement of implementation of resolution plan, capex and other general corporate purpose, carrying interest @ 10% p.a.) (2023-24: 10% p.a.)	9,502	6,000	9,502	6,000

The amount of loan and interest are payable after a period of 3 years from the date of disbursement.

33. Employee benefits:

The employee benefit schemes are as under:

(i) Defined contribution plan:

Provident Fund

The Company makes provident fund contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the Fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. Total expense recognised during the year aggregated ₹ 414 (2023-24: ₹ 392).

Superannuation Fund

Few directors receive benefit under a Superannuation scheme which is a defined contribution scheme wherein the director has an option to choose the percentage of contribution in between 5% to 15% of the basic salary of the covered employee. These contributions are made to a fund administrated by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss

in the period they are incurred. Total expense recognised during the year aggregated ₹ 66 (2023-24: ₹ 51).

Employee State Insurance

The Company makes employee state insurance contributions which are defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. These contributions are made to the funds administered and managed by the Government of India. The company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total expense recognised during the year aggregated ₹ 2 (2023-24: ₹ 3).

(ii) Defined benefit plan:

Gratuity:

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



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

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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 Company and is in accordance with the rules of the Company 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 recognised in the Company's 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%	7.22%
Expected rate of return on plan asset	7.68%	7.67%
Expected average remaining working lives of employees	16.08 years	16.37 years
Rate of escalation in salary	8.52%	10.76%
Attrition rate	10.92%	13.32%

- 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	296	162
Interest expense	116	105
Other adjustments	14	11
Expected return on plan assets	(65)	(69)
Defined benefit cost included in profit and loss	361	209
Amounts recognised in Other Comprehensive Income (OCI) are as follows:		
Remeasurements – Due to financial adjustments	(160)	150
Remeasurements – Due to demographic adjustments	15	(59)
Remeasurements – Due to experience adjustments	38	52
Return on plan assets (excluding interest income)	(3)	-
Components of defined benefit costs recognised in OCI	(110)	143



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

All amounts are in ₹ Lakhs unless otherwise stated

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	1,987	1,882
Fair value of plan assets	(870)	(989)
Net liability arising from defined benefit obligation	1,117	893

d) Movement 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	1,882	1,657
Current service cost	296	162
Interest cost	116	105
Remeasurements – Due to financial adjustments	(160)	150
Remeasurements – Due to demographic adjustments	15	(59)
Remeasurements – Due to experience adjustments	38	52
Benefits paid out of plan assets and by employer	(200)	(185)
Defined benefit obligation at the year end	1,987	1,882

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	234	297
1 – 2 years	230	229
2 – 3 years	256	248
3 – 4 years	207	206
4 – 5 years	202	232
5 – 10 years	681	695

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening fair value of the plan assets	989	966
Expected return on plan assets	65	69
Contributions from the employer	-	115
Benefits paid out of plan assets	(182)	(156)
Re-measurement – Return on Assets (excluding interest income)	3	-
Other adjustments	(5)	(5)
Fair value of plan asset at the year end	870	989

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	1,577	1,748	1,624	1,787
Effect of 1% change in assumed salary rate	1,745	1,575	1,779	1,626
Effect of 1% change in assumed attrition rate	1,651	1,666	1,690	1,713

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

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

Particulars	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)	870	989

The Company is expected to contribute ₹ 787 to its defined benefit plans during the next financial year (March 31, 2024: ₹ 713).



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

All amounts are in ₹ Lakhs unless otherwise stated

Compensated absences:

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

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount Rate	6.83%	7.22%
Salary escalation rate	8.52%	10.76%
Attrition rate	10.92%	13.32%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

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

34. Related Party Disclosures:

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

Name	Relationship
Sagar Cements (M) Private Limited	Subsidiary Company
Andhra Cements Limited	Subsidiary Company
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
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



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

All amounts are in ₹ Lakhs unless otherwise stated

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	4,805	6,316
Purchase of property, plant and equipment	Andhra Cements Limited	10	92
Purchase of spares	Andhra Cements Limited	-	9
	Sagar Cements (M) Private Limited	-	24
	Total	-	33
Rent expenses paid	Dr. S. Anand Reddy	45	43
	S. Sreekanth Reddy	45	43
	S. Vanajatha	45	43
	Total	135	129
Legal and professional expenses	Sagarsoft (India) Limited	78	57
Income from services	Sagar Cements (M) Private Limited	236	224
	Andhra Cements Limited	505	456
	Total	741	680
Sale of clinker	Andhra Cements Limited	-	579
Sale of Coal	Andhra Cements Limited	417	966
Sale of spares	Andhra Cements Limited	7	11
Purchase of clinker	Andhra Cements Limited	2,525	4,001
Purchase of coal	Andhra Cements Limited	-	4
Purchase of slag	Andhra Cements Limited	-	1
Purchase of gypsum	Andhra Cements Limited	-	2

Nature of transaction	Party Name	For the year ended March 31, 2025	For the year ended March 31, 2024
Reimbursement of expenses received	Sagarsoft (India) Limited	10	9
	R V Consulting Services Private Limited	7	13
	Sagar Power Limited	2	3
	Panchavati Polyfibres Limited	10	10
	Sagar Cements (M) Private Limited	-	64
	Andhra Cements Limited	2	10
	Total	31	109
Interest income on corporate guarantee	Andhra Cements Limited	123	146
	Sagar Cements (M) Private Limited	54	70
	Total	177	216
Financial assets – Loan given	Andhra Cements Limited	3,702	4,000
	Sagar Cements (M) Private Limited	2,565	-
	K. Prasad	80	-
	Total	6,347	4,000
Financial assets – Repayment of loan given	Andhra Cements Limited	200	-
	Sagar Cements (M) Private Limited	965	-
	K. Prasad	50	-
	Total	1,215	-
Corporate guarantee given	Andhra Cements Limited	4,000	6,500
Interest income on loan	Sagar Cements (M) Private Limited	530	494
	Andhra Cements Limited	683	221
	Total	1,213	715
Payment of salary	S. Siddarth Reddy	26	14
	S. Sahithi	-	24
	Total	26	38



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

All amounts are in ₹ Lakhs unless otherwise stated

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 is as follows:

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 and Directors	31	30

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2025	As at March 31, 2024
Financial assets – Loan	Sagar Cements (M) Private Limited	6,530	4,930
	Andhra Cements Limited	9,502	6,000
	K. Prasad	30	-
	Total	16,062	10,930
Other financial assets – Advances	Sagar Power Limited	-	1
	R V Consulting Services Private Limited	27	18
	Andhra Cements Limited	2,155	-
	Sagarsoft (India) Limited	-	1
	Total	2,182	20

Nature of the balance	Party Name	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due	Sagar Cements (M) Private Limited	-*	1,296
	Andhra Cements Limited	829	214
	Total	829	1,510
Rent Payable	Dr. S. Anand Reddy	4	-
	S. Sreekanth Reddy	4	-
	S. Vanajatha	4	-
	Total	12	-
Trade payables	Panchavati Polyfibres Limited	1,080	642
	Sagarsoft (India) Limited	7	-
	John Eric Fernand Pascal Cesar Bertrand	4	-
	Jens Van Nieuwenborgh	3	-
	Total	1,094	642
	Trade Receivable	Andhra Cements Limited	-
Sagar Cements (M) Private Limited	26	156	
Total	26	258	
Corporate guarantee (Refer Note 29)	Sagar Cements (M) Private Limited	37,000	37,000
	Andhra Cements Limited	70,500	66,500
	Total	1,07,500	1,03,500

* The amounts which are less than ₹ 0.50 has been rounded off to zero



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

All amounts are in ₹ Lakhs unless otherwise stated

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

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

The Company has elected not to apply the requirements of 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	584	723
Additions	1,940	16
Depreciation	(167)	(155)
Closing Balance	2,357	584

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	107	247
Additions	1,896	16
Finance cost accrued during the year	77	9
Payment of lease liabilities	(399)	(165)
Closing Balance	1,681	107

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	1,232	79
Current lease liabilities	449	28
Total	1,681	107



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

All amounts are in ₹ Lakhs unless otherwise stated

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	449	28
After one year but not more than five years	915	48
More than five years	317	31

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	469	28
After one year but not more than five years	1,416	59
More than 5 years	577	274

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	167	155
Interest on lease liability	77	9
Expense relating to short term lease	204	222

36. Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss)/profit after tax (₹ in lakhs)	(8,548)	3,117
Weighted average number of equity shares outstanding (Refer Note 13(a))	13,07,07,548	13,07,07,548
Earnings per share:		
Basic and Diluted (in ₹)	(6.54)	2.38

37. Corporate Social Responsibility (CSR) activities

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

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent by the company 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



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

All amounts are in ₹ Lakhs unless otherwise stated

38. (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	1,76,901	2,17,009
Less: Discounts and incentives	(21,809)	(28,260)
Total revenue from contracts with customers	1,55,092	1,88,749

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

(b) Disaggregation of Revenue:

The Company 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	1,54,035	1,88,749
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 ₹ 2,659 (March 31, 2024: ₹ 4,046). There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

39. Dividend

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

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

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

Particulars	For the year ended March 31, 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 Company has incurred a net cash outflow of ₹ 915.



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

All amounts are in ₹ Lakhs unless otherwise stated

40. Capital Work-in-Progress:

(a) Capital Work-in-Progress:

Particulars	Amount (₹)
Balance as on April 01, 2023	7,217
Add: Additions	9,628
Less: Transfer to property, plant and equipment	15,405
Balance as on March 31, 2024	1,440
Add: Additions	4,450
Less: Transfer to property, plant and equipment	4,289
Balance as on March 31, 2025	1,601

(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	682	183	638	98	1,601

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

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	650	658	49	83	1,440

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 Company.



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

All amounts are in ₹ Lakhs unless otherwise stated

41. 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)

* Negative amount indicates payable.

42. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	% of Variance	Refer Note
Current Ratio (times)	Current Assets	Current Liabilities excl. Current Borrowings	1.18	1.46	(19%)	-
Debt-Equity Ratio (times)	Debt ⁽¹⁾	Net Worth ⁽²⁾	0.30	0.28	7%	-
Debt Service Coverage Ratio (times)	Earnings before exceptional items, depreciation, interest and tax	Interest expense + Principal repayment ⁽³⁾	0.46	1.41	(67%)	1
Return on Equity Ratio (ROE) (times)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.05)	0.02	(350%)	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory ⁽⁴⁾	8.04	8.80	(9%)	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable ⁽⁵⁾	9.00	11.37	(21%)	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables ⁽⁶⁾	3.94	4.92	(20%)	-
Net capital turnover ratio (times)	Sales of Products and Services	Current assets – current liabilities	(6.09)	(58.75)	(90%)	2
Net profit ratio (%)	Profit after tax	Sales of Products and Services	(5.51%)	1.65%	(434%)	1
Return on Capital employed (times)	Earnings before interest and taxes	Average Capital Employed ⁽⁷⁾	(0.03)	0.05	(160%)	1
Return on Investments (%)	Income generated from investments	Total investments	Nil	Nil	-	-

⁽¹⁾ Debt = Long term secured loans + Current maturities of long-term debt + Loan term unsecured loans + Cash credit facilities

⁽²⁾ Net Worth = Equity share capital + Other equity

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

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

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

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

⁽⁷⁾ Capital Employed = Tangible net worth + Total debt + Deferred tax liability

Notes:

- During the Financial Year ended March 31, 2025, there had been a decline in the sales price when compared to the previous financial year, this impacted the operating margins, resulting into variations in ratios as reported above.
- During the Financial Year ended March 31, 2025, there had been an decline in the current assets when compared to the previous financial year, resulting into variations in the ratio as reported above.



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

All amounts are in ₹ Lakhs unless otherwise stated

43. 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.

44. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

45. 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 Company has considered the Supreme Court judgement dated February 15, 2024, including the directions to the State Bank of India and the Election Commission of India on furnishing and public disclosure of information in respect of the electoral bonds. Political contributions via Electoral Bonds for the year ended March 31, 2024, were made by the Company prior to the Hon’ble Supreme Court judgement pronounced on February 15, 2024.

46. Other statutory information

- (i) The Company does not have any Benami property, nor any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not revalued its Property, plant & equipment (including right-of-use assets) and Intangible assets during the period.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company 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.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has 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.

47. These 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

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