

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Balance Sheet as at March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	47,661	50,380
(b) Capital work-in-progress	37	17	71
(c) Intangible assets	3	5	2
(d) Right of use assets	4	298	312
(e) Financial assets			
(i) Other financial assets	5	1,175	988
(f) Deferred tax assets (net)	26	3,325	2,865
(g) Other non-current assets	6	1,041	857
Total Non-current assets		53,522	55,475
Current assets			
(a) Inventories	7	4,132	4,406
(b) Financial assets			
(i) Trade receivables	8	818	454
(ii) Cash and cash equivalents	9	64	15
(iii) Bank balances other than cash and cash equivalents	10	715	643
(iv) Other financial assets	5	241	238
(c) Other current assets	6	799	2,044
Total Current assets		6,769	7,800
TOTAL ASSETS		60,291	63,275
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	504	504
(b) Other equity	12	8,132	9,592
Total Equity		8,636	10,096
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13A	28,080	31,952
(ia) Lease liabilities	33	85	84
(ii) Other financial liabilities	14	5,522	5,491
(b) Provisions	15	35	39
(c) Other non-current liabilities	17	21	20
Total Non-current liabilities		33,743	37,586
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13B	6,510	5,669
(ia) Lease liabilities	33	11	23
(ii) Trade payables	16		
(a) total outstanding dues of micro enterprises and small enterprises		3,357	265
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,769	7,430
(iii) Other financial liabilities	14	1,874	1,492
(b) Provisions	15	21	11
(c) Other current liabilities	17	1,370	703
Total Current liabilities		17,912	15,593
Total Liabilities		51,655	53,179
TOTAL EQUITY AND LIABILITIES		60,291	63,275
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: 0080725

For and on behalf of the Board of Directors of

Sagar Cements (M) Private Limited

(Formerly known as Satguru Cement Private Limited)

C Manish Muralidhar

Partner

Membership No: 213649

Dr. S. Anand Reddy

Director

DIN: 00123870

Badrilal Bansal

Director

DIN: 01034048

S. Sreekanth Reddy

Director

DIN: 00123889

Rajesh Bansal

Director

DIN: 01033997

Place: Hyderabad

Date: May 14, 2024

Place: Hyderabad

Date: May 14, 2024

Statement of Profit and Loss for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Revenue from operations	18	39,177	26,731
II	Other income	19	98	74
III	Total Income (I + II)		39,275	26,805
IV	Expenses			
	(a) Cost of materials consumed	20	5,168	3,309
	(b) Changes in inventories of finished goods and work-in-progress	21	(413)	(512)
	(c) Employee benefits expense	22	1,509	1,251
	(d) Finance costs	23	4,848	4,465
	(e) Depreciation and amortisation expense	24	3,826	3,850
	(f) Power and fuel expense		14,517	13,956
	(g) Freight and forwarding expense		7,882	5,043
	(h) Other expenses	25	3,869	3,123
	Total Expenses		41,206	34,485
V	Loss before tax (III - IV)		(1,931)	(7,680)
VI	Tax expense			
	(a) Current tax	26	-	-
	(b) Deferred tax	26	(463)	(1,870)
	Total Tax expense		(463)	(1,870)
VII	Loss after tax (V - VI)		(1,468)	(5,810)
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain on defined benefits plan	30	11	1
	(ii) Income tax relating to items that will not be reclassified to profit or loss	26	(3)	-
	Other comprehensive income for the year, net of tax		8	1
IX	Total comprehensive loss (VII + VIII)		(1,460)	(5,809)
X	Earnings per equity share (Face value of ₹ 10 each fully paid (March 31, 2023: ₹ 10 each fully paid))			
	Basic and Diluted	34	(29.15)	(115.28)
	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 (M) Private Limited

(Formerly known as Satguru Cement Private Limited)

Dr. S. Anand Reddy

Director

DIN: 00123870

Badrilal Bansal

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Director

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Place: Hyderabad

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Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Statement of Changes in Equity for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

A. Equity share capital	
Particulars	Amount
Balance as at March 31, 2022	504
Changes in equity share capital during the year	-
Balance as at March 31, 2023	504
Changes in equity share capital during the year	-
Balance as at March 31, 2024	504

Particulars	Reserves and surplus			Other items of other comprehensive income	Total other equity
	Securities premium	Deemed investment in equity	Retained earnings		
Balance as at March 31, 2022	17,912	470	(2,984)	3	15,401
Loss for the year	-	-	(5,810)	-	(5,810)
Other comprehensive income for the year (net of tax ₹ Nil)	-	-	-	1	1
Balance as at March 31, 2023	17,912	470	(8,794)	4	9,592
Loss for the year	-	-	(1,468)	-	(1,468)
Other comprehensive income for the year (net of tax ₹ 3)	-	-	-	8	8
Balance as at March 31, 2024	17,912	470	(10,262)	12	8,132

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: 0080725

For and on behalf of the Board of Directors of

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Membership No: 213649

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Place: Hyderabad

Date: May 14, 2024

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Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Statement of Cash Flows for the year ended March 31, 2024

All amounts are in ₹ Lakhs unless otherwise stated

Particulars		For the year ended March 31, 2024		For the year ended March 31, 2023	
A	Cash flow from operating activities				
	Loss before tax		(1,931)		(7,680)
	Adjustments for				
	Depreciation and amortisation expense	3,826		3,850	
	Finance costs	4,848		4,465	
	Interest income	(98)		(73)	
			8,576		8,242
	Operating profit before working capital changes		6,645		562
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets:				
	Trade receivables	(364)		(129)	
	Inventories	274		(2,027)	
	Other financial assets	(234)		(80)	
	Other assets	1,049		3,831	
			725		1,595
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	431		4,745	
	Other financial liabilities	31		175	
	Provisions	17		31	
	Other liabilities	667		208	
			1,146		5,159
	Cash generated from operating activities		8,516		7,316
	Less: Income tax refund received		-		13
	Net cash generated from operating activities		8,516		7,329
B	Cash flow from investing activities				
	Capital expenditure on property, plant and equipment including capital advances	(1,313)		(2,783)	
	Deposits not considered as cash and cash equivalents				
	- Placed	(232)		(214)	
	- Matured	160		132	
	Proceeds from sale of property, plant and equipment	-		39	
	Interest received	75		42	
	Net cash used in investing activities		(1,310)		(2,784)
C	Cash flow from financing activities				
	Repayment from non-current borrowings	(3,220)		(1,280)	
	Proceeds from current borrowings (net)	189		449	
	Repayment of lease liabilities	(23)		(22)	
	Interest paid	(4,103)		(3,934)	
	Net cash used in financing activities		(7,157)		(4,787)
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		49		(242)
	Cash and cash equivalents at the beginning of the year		15		257
	Cash and cash equivalents at the end of the year (Refer note 9)		64		15
	Note:				
	Cash and cash equivalents comprises of:				
	Cash in hand		-		1
	Balances with banks		64		14
	Cash and cash equivalents (Refer note 9)		64		15

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Statement of Cash Flows for the year ended March 31, 2024

All amounts are in ₹ lakhs unless otherwise stated

Changes in liabilities arising from financing activities:					
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)	40,209	-	(3,220)	-	36,989
Current borrowings	2,433	189	-	-	2,622
Total liabilities from financing activities	42,642	189	(3,220)	-	39,611

Particulars	As at April 01, 2022	Cash flow changes		Non-cash flow changes	As at March 31, 2023
		Proceeds	Repayment	Fair value changes	
Non-current borrowings (including current maturities of non-current borrowings)	41,489	-	(1,280)	-	40,209
Current borrowings	1,984	449	-	-	2,433
Total liabilities from financing activities	43,473	449	(1,280)	-	42,642

Reconciliation of lease liability:

Particulars	As at April 01, 2023	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2024
Lease liabilities	107	3	9	(23)	96

Particulars	As at April 01, 2022	Additions	Finance cost accrued during the year	Payment of lease liabilities	As at March 31, 2023
Lease liabilities	119	-	10	(22)	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: 0080725

For and on behalf of the Board of Directors of

Sagar Cements (M) Private Limited

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C Manish Muralidhar
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Rajesh Bansal
Director
DIN: 01033997

Place: Hyderabad
Date: May 14, 2024

Place: Hyderabad
Date: May 14, 2024

1. Corporate information and material accounting policies

a) Corporate Information:

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited) ("the Company") was incorporated under the Companies Act, 1956 as a private limited company on March 21, 2001. The Company is engaged in the business of manufacture and sale of cement. The Company has its registered office at Indore, Madhya Pradesh.

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. 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:

• Useful lives of on property, plant and equipment and amortisation of intangible assets

Depreciation on plant and machinery 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**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

• **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.

• **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.

• **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.

v) **Revenue recognition:**

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

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.

Interest income

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.

vi) **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.

Notes to the financial statements

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.

vii) Government grants

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

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

viii) 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 accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method. Compensated absences expected to be maturing after 12 months from the date of balance sheet are classified as non-current.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized 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.

ix) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because 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.

Notes to the financial statements

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.

x) Property, plant and equipment

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

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

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

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

Depreciation on plant and machinery 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
Plant and machinery other than continuous process plant	3 - 25 years
Electrical installations	15 Years and 25 years

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

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

Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

Land-Restoration:

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

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

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

Notes to the financial statements

xi) 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. 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.

xii) 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.

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

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

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

xiv) 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.

xv) 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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit and loss are recognized immediately in profit and loss.

(B) Subsequent measurement:**Non-derivative Financial Instruments:**

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

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

c. Financial assets at fair value through profit and loss: A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

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

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

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

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

a. Financial assets:

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

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

b. Financial liabilities:

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

(D) Financial guarantee contract liabilities:

Financial guarantee contract liabilities are disclosed in financial statements in accordance with Ind AS 37 – Provisions, contingent liabilities and contingent assets.

xvi) 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.

xvii) Impairment of assets

a. Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit and loss.

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

b. Non-financial assets:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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

xviii) 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.

xix) Provisions, contingent liabilities and contingent assets

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

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

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

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

xx) Leases

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

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

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

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

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

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

xxi) 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.

xxii) 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, 2024.

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

2. Property, plant and equipment

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Land restoration	16	16
Buildings	11,604	12,666
Plant and machinery	31,885	32,822
Furniture and fittings	37	46
Office and other equipment	323	395
Electrical installations	3,746	4,405
Computers	15	15
Vehicles	35	15
Total	47,661	50,380

For the year 2023-24

Description of Assets	Land-Restoration	Buildings	Plant and Machinery	Furniture and Fittings	Office and other Equipment	Electrical installations	Computers	Vehicles	Total
I. Gross block									
Opening Balance	18	14,484	34,605	69	575	5,473	45	22	55,291
Add: Additions	-	270	708	3	40	28	10	30	1,089
Less: Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	18	14,754	35,313	72	615	5,501	55	52	56,380
II. Accumulated depreciation									
Opening Balance	2	1,818	1,783	23	180	1,068	30	7	4,911
Add: Depreciation expense	-	1,332	1,645	12	112	687	10	10	3,808
Less: Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	2	3,150	3,428	35	292	1,755	40	17	8,719
Net block (I-II)									
Carrying value as at March 31, 2024	16	11,604	31,885	37	323	3,746	15	35	47,661
Carrying Value as at March 31, 2023	16	12,666	32,822	46	395	4,405	15	15	50,380

For the year 2022-23

Description of Assets	Land-Restoration	Buildings	Plant and Machinery	Furniture and Fittings	Office and other Equipment	Electrical installations	Computers	Vehicles	Total
I. Gross block									
Opening Balance	-	13,366	27,191	66	482	5,438	41	8	46,592
Add: Additions	18	1,118	7,414	3	93	76	4	14	8,740
Less: Disposals	-	-	-	-	-	41	-	-	41
Balance as at March 31, 2023	18	14,484	34,605	69	575	5,473	45	22	55,291
II. Accumulated depreciation									
Opening Balance	-	414	354	8	49	241	12	3	1,081
Add: Depreciation expense	2	1,404	1,429	15	131	829	18	4	3,832
Less: Eliminated on disposal of assets	-	-	-	-	-	2	-	-	2
Balance as at March 31, 2023	2	1,818	1,783	23	180	1,068	30	7	4,911
Net block (I-II)									
Carrying Value as at March 31, 2023	16	12,666	32,822	46	395	4,405	15	15	50,380
Carrying Value as at March 31, 2022	-	12,952	26,837	58	433	5,197	29	5	45,511

1. Property, plant and equipment (other than land restoration) with a carrying amount of ₹ 47,645 (March 31, 2023: ₹ 50,364) are subject to a pari-passu first charge on the Company's term loans. Further the property, plant and equipment (other than land restoration) are subject to pari-passu and second charge on the Company's current borrowings. Refer note 13A and 13B.

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.

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

3. Intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Computer software	5	2
Total	5	2

Computer Software:

Particulars	As at March 31, 2024	As at March 31, 2023
I. Gross block		
Opening Balance	4	3
Additions	4	1
Closing Balance	8	4
II. Accumulated amortisation		
Opening Balance	2	-
Amortisation expense	1	2
Closing Balance	3	2
Net block (I-II)		
Carrying Value	5	2

Note: The Company has not revalued its intangible assets.

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

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Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

4. Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Land	294	299
Buildings	4	13
Total	298	312

Land:

Particulars	As at March 31, 2024	As at March 31, 2023
I. Gross block		
Opening Balance	318	318
Add: Additions	-	-
Less: Deletion	-	-
Closing Balance	318	318
II. Accumulated depreciation		
Opening Balance	19	14
Add: Depreciation expense	5	5
Closing Balance	24	19
Net block (I-II)		
Carrying Value	294	299

Buildings:

Particulars	As at March 31, 2024	As at March 31, 2023
I. Gross block		
Opening Balance	34	34
Add: Additions	3	-
Less: Deletion	29	-
Closing Balance	8	34
II. Accumulated depreciation		
Opening Balance	21	10
Add: Depreciation expense	12	11
Less: Eliminated on disposal of assets	29	-
Closing Balance	4	21
Net block (I-II)		
Carrying Value	4	13

Note: Refer note 33 on operating lease.

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

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Notes to the financial statements

All amounts are in ₹ Lakhs unless otherwise stated

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023	
5	Other financial assets (Unsecured, considered good)			
	Non-current			
	Security deposits	595	353	
	Balance held as margin money deposit against borrowings (Refer note below)	446	446	
	Financial benefit due to guarantee by Holding company	134	189	
	Total	1,175	988	
	Current			
	Security deposits	77	96	
	Advances to employees	18	7	
	Interest accrued but not due	92	69	
	Financial benefit due to guarantee by Holding company	54	66	
	Total	241	238	
	Total other financial assets	1,416	1,226	
	Note: Held as securities or earmarked for issue of bank guarantees/ letter of credit/ margin money.			
6	Other assets (Unsecured, considered good)			
	Non-current			
	Capital advances	9	21	
	Prepaid expenses	1,032	836	
	Total	1,041	857	
	Current			
	Advances to suppliers and service providers	510	379	
	Prepaid expenses	227	168	
	Balances with government authorities	53	1,429	
	Incentives receivable from government	9	68	
	Total	799	2,044	
	Total other assets	1,840	2,901	
	7	Inventories (at lower of cost and net realisable value)		
		Raw materials	208	179
Coal		953	1,935	
Work-in-progress		1,793	1,178	
Stores and spares		736	402	
Packing materials		64	121	
Finished goods		367	569	
Total (A)		4,121	4,384	
Goods-in-transit:				
Raw materials		7	3	
Coal		4	19	
Total (B)		11	22	
Total inventories (A+B)		4,132	4,406	
Note: Refer note 1(b)(xii) for basis of valuation of inventory and refer note 13A and 13B for details of inventory pledged.				

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023						
8	Trade Receivables								
	Trade receivables considered good - Secured	307	89						
	Trade receivables considered good - Unsecured	511	365						
	Trade receivables which have significant increase in credit risk	-	-						
	Trade receivables - credit impaired	12	12						
	Sub-total	830	466						
	Less: Provision for impairment	(12)	(12)						
	Total trade receivables	818	454						
	Notes:								
	No trade or other receivables 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.								
	Trade receivables are pledged against borrowings of the Company (Refer note 13A and 13B).								
	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 2023-24:								
		Outstanding for following periods from due date of payment							
	Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
	(i) Undisputed Trade receivables								
	- considered good	772	23	12	10	1	-	818	
	- which have significant increase in credit risk	-	-	-	-	-	-	-	
	(ii) Undisputed Trade receivables								
	- credit impaired	-	-	-	-	-	12	12	
	- which have significant increase in credit risk	-	-	-	-	-	-	-	
	(iii) Disputed Trade receivables								
	- considered good	-	-	-	-	-	-	-	
	- which have significant increase in credit risk	-	-	-	-	-	-	-	
	- credit impaired	-	-	-	-	-	-	-	
	Total	772	23	12	10	1	12	830	
	FY 2022-23:								
		Outstanding for following periods from due date of payment							
	Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
	(i) Undisputed Trade receivables								
	- considered good	390	16	48	-	-	-	454	
	- which have significant increase in credit risk	-	-	-	-	-	-	-	
	(ii) Undisputed Trade receivables								
	- credit impaired	-	-	-	-	-	12	12	
	- which have significant increase in credit risk	-	-	-	-	-	-	-	
	(iii) Disputed Trade receivables								
	- considered good	-	-	-	-	-	-	-	
	- which have significant increase in credit risk	-	-	-	-	-	-	-	
	- credit impaired	-	-	-	-	-	-	-	
	Total	390	16	48	-	-	12	466	
	Movement in expected credit loss allowance								
			Particulars					For the year ended March 31, 2024	For the year ended March 31, 2023
	Balance at the beginning of the year						12	12	
	Less: Expected credit loss allowance						-	-	
	Balance at the end of the year						12	12	
			Particulars					As at March 31, 2024	As at March 31, 2023
9	Cash and cash equivalents								
	Cash in hand						-	1	
	Balances with banks						64	14	
	Total Cash and cash equivalents						64	15	
10	Other bank balances								
	Margin money deposits (Refer note below)						715	643	
	Total other bank balances						715	643	
	Note: Margin money deposits with banks are against bank guarantees								

Note No.	Particulars	As at March 31, 2024		As at March 31, 2023			
		No. of shares	Amount	No. of shares	Amount		
11	Equity share capital						
	Authorised:						
	Equity shares of ₹ 10 each (March 31, 2023: Equity Shares of ₹ 10 each)	60,00,000	600	60,00,000	600		
	Issued, subscribed and fully paid:						
	Equity shares ₹ 10 each (March 31, 2023: Equity Shares of ₹ 10 each)	50,36,573	504	50,36,573	504		
	Notes:						
	(a) Reconciliation of equity shares and amount outstanding at the beginning and at the end of the year:						
		As at March 31, 2024		As at March 31, 2023			
	Particulars	No. of shares	Amount	No. of shares	Amount		
	Opening Balance	50,36,573	504	50,36,573	504		
	Shares issued during the year	-	-	-	-		
	Closing Balance	50,36,573	504	50,36,573	504		
	(b) Rights, preferences and restrictions attached to the equity shares:						
	The Company has only one class of equity shares having a par value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.						
	(c) Details of shares held by the Holding Company:						
		As at March 31, 2024		As at March 31, 2023			
	Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding		
	Sagar Cements Limited and its nominee shareholders	32,73,773	65.00%	32,73,773	65.00%		
	(d) Details of equity shareholders holding more than 5% shares in the Company:						
		As at March 31, 2024		As at March 31, 2023			
	Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding		
	Sagar Cements Limited and its nominee shareholders	32,73,773	65.00%	32,73,773	65.00%		
	Samrath Investtrade LLP	4,09,900	8.14%	4,09,900	8.14%		
	Chetak Capital Services LLP	3,64,900	7.25%	3,64,900	7.25%		
	Badrilal Bansal	2,57,900	5.12%	2,57,900	5.12%		
	Rajesh Bansal	2,54,000	5.04%	2,54,000	5.04%		
	(e) Details of shares held by the promoters in the Company and change during the year:						
		As at March 31, 2024			As at March 31, 2023		
	Promoter Name	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
	Sagar Cements Limited	32,73,770	65.00%	-	32,73,770	65.00%	-
	Samrath Investtrade LLP	4,09,900	8.14%	-	4,09,900	8.14%	-
	Chetak Capital Services LLP	3,64,900	7.25%	-	3,64,900	7.25%	-
	Badrilal Bansal	2,57,900	5.12%	-	2,57,900	5.12%	-
	Rajesh Bansal	2,54,000	5.04%	-	2,54,000	5.04%	-
	Varsha Bansal	94,700	1.88%	-	94,700	1.88%	-
	Chandrakala Bansal	92,800	1.84%	-	92,800	1.84%	-
	Mamta Bansal	91,500	1.82%	-	91,500	1.82%	-
	Mohanlal Bansal	89,800	1.78%	-	89,800	1.78%	-
	Badrilal Bansal (Satguru Infrastructure)	79,300	1.57%	-	79,300	1.57%	-
	B.L.Bansal – HUF	10,000	0.20%	-	10,000	0.20%	-
	Rajesh Bansal – HUF	10,000	0.20%	-	10,000	0.20%	-
	M.L.Bansal – HUF	8,000	0.16%	-	8,000	0.16%	-
	Anand Reddy Sammidi (Nominee of Sagar Cements Limited)	1	0.00%	-	1	0.00%	-
	Sreekanth Reddy Sammidi (Nominee of Sagar Cements Limited)	1	0.00%	-	1	0.00%	-
	Rachana Sammidi (Nominee of Sagar Cements Limited)	1	0.00%	-	1	0.00%	-
	(f) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.						

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Notes to the financial statements

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Note No.	Particulars	As at March 31, 2024	As at March 31, 2023	
12	Other equity			
	Deemed investment in equity	470	470	
	Securities premium	17,912	17,912	
	Retained earnings	(10,262)	(8,794)	
	Other items of other comprehensive income	12	4	
	Total other equity	8,132	9,592	
	Movement in other equity is as follows:			
		Particulars	As at March 31, 2024	As at March 31, 2023
		(a) Deemed investment in equity (Refer note 35)	470	470
		(b) Securities premium		
	(i) Opening balance	17,912	17,912	
	(ii) Premium on issue of equity shares	-	-	
		17,912	17,912	
	(c) Retained earnings			
	(i) Opening balance	(8,794)	(2,984)	
	(ii) Loss for the year	(1,468)	(5,810)	
		(10,262)	(8,794)	
	Less: Appropriations			
	(i) Dividend on equity shares	-	-	
		(10,262)	(8,794)	
	(d) Other items of other comprehensive income			
	(i) Opening balance	4	3	
	(ii) Other comprehensive income for the year	8	1	
		12	4	
	Total	8,132	9,592	

Nature of reserves:

(a) Deemed investment in equity

Deemed investment in equity represents the gain on account of corporate guarantee given by Sagar Cements Limited (Holding Company).

(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) Retained earnings

Retained earnings comprises of prior years undistributed earnings after taxes.

(d) Other items of other comprehensive income

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

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Note No.	Particulars	As at March 31, 2024	As at March 31, 2023
13A	Non current borrowings* (Secured, at amortised cost)		
	Term loans (Refer note below)	28,080	31,952
	Total non-current borrowings	28,080	31,952
*Current maturities of non-current borrowings have been disclosed under the head "Current borrowings".			
Notes:			
As at March 31, 2024:			
	Bank	Loan outstanding	Terms of repayment
			Rate of interest
	Yes Bank Limited (Refer note 1 below)	13,866	30 quarterly instalments
	State Bank of India (Refer note 2 below)	18,102	30 quarterly instalments
	Less: Current maturities of non-current borrowings	(3,888)	
	Total	28,080	
As at March 31, 2023:			
	Bank	Loan outstanding	Terms of repayment
			Rate of interest
	Yes Bank Limited (Refer note 1 below)	15,249	33 quarterly instalments
	State Bank of India (Refer note 2 below)	19,939	33 quarterly instalments
	Less: Current maturities of non-current borrowings	(3,236)	
	Total	31,952	
Notes:			
1. Term loan is secured by first pari-passu charge on the property, plant and equipment owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents and in the clearances. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares and Non Disposable Undertaking (NDU) for the balance shareholding of the Company held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.			
2. Term loan is secured by first pari-passu charge on the property, plant and equipment (including 30 Acres of project lease land excluding mining land) owned by or belonging to the Company both present and future. First pari-passu charge on all rights, title, interests, benefits, claims and demands whatsoever of the Company in the project documents, excluding mining land. First pari-passu charge on all the insurance contracts/ insurance proceeds of property, plant and equipment and pledged 15,10,972 equity shares of the Company held by Sagar Cements Limited in favour of Axis Trustee Services Limited. Second pari-passu charge on the current assets of the Company and are guaranteed by Dr S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited.			
3. The Company has used the borrowings for the purposes for which it was taken.			
13B	Current borrowings (Secured, amortised at cost)		
	Cash credit facilities (Refer note below)	2,622	2,433
	Current maturities of non-current borrowings	3,888	3,236
	Total current borrowings	6,510	5,669
Notes:			
1. The Company has availed cash credit facilities from Yes Bank Limited. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and negative lien on immovable property, plant and equipment of the Company, present and future, and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.75% p.a. to 11.15% p.a. (2022-23: 8.15% p.a. to 9.80% p.a.).			
2. The Company has availed cash credit facilities from State Bank of India. This facility is secured by first pari-passu charge against all current assets, present and future, and by second pari-passu charge on movable property, plant and equipment and including equitable mortgage(EM) of 30 acres of project lease land (mining land excluded), and are guaranteed by Dr. S. Anand Reddy, Director and S. Sreekanth Reddy, Director and corporate guarantee of Sagar Cements Limited. The loans are repayable on demand and carries interest @ 9.25% p.a. to 9.40% p.a. (2022-23: 7.80% p.a. to 9.25% p.a.).			
3. The Company has used the borrowings for the purposes for which it was taken.			
4. The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.			

Note No.	Particulars	As at March 31, 2024	As at March 31, 2023				
14	Other financial liabilities						
	Non-current						
	Security deposits received	501	470				
	Loan from related parties (Refer note 32)	5,021	5,021				
	Total	5,522	5,491				
	Current						
	Interest accrued but not due on borrowings (Refer note below)	1,760	1,091				
	Payables on purchase of property, plant and equipment	114	401				
	Total	1,874	1,492				
	Total other financial liabilities	7,396	6,983				
Note: Includes ₹ 1,296 (March 31, 2023: ₹ 852) interest accrued but not due on unsecured loan taken from related party (Refer note 32).							
15	Provisions						
	Gratuity (Refer note 30)	9	13				
	Compensated absences (Refer note 30)	47	37				
	Total provisions	56	50				
	Non-current						
	Gratuity	7	13				
	Compensated absences	28	26				
	Total	35	39				
	Current						
	Gratuity	2	-				
Compensated absences	19	11					
Total	21	11					
16	Trade payables						
	Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 28)	3,357	265				
	Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below)	4,769	7,430				
	Total trade payables	8,126	7,695				
Note: Includes ₹ 156 (March 31, 2023: ₹ 1,200) payable to related party (Refer note 32).							
Trade payables ageing schedule for the year ended March 31, 2024 and March 31, 2023:							
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	1,285	2,072	-	-	-	3,357
(ii)	Others	4,673	93	1	2	-	4,769
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
	Total	5,958	2,165	1	2	-	8,126
FY 2022-23:							
	Particulars	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 year	More than 3 years	
(i)	MSME	124	141	-	-	-	265
(ii)	Others	2,735	4,693	2	-	-	7,430
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
	Total	2,859	4,834	2	-	-	7,695
17	Other liabilities						
	Non-current						
	Liability for land restoration	21	20				
	Total	21	20				
	Current						
	Advance from customers	802	630				
	Statutory remittances	568	73				
	Total	1,370	703				
	Total other liabilities	1,391	723				

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Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
18	Revenue from operations		
	Revenue from sale of cement and clinker (Refer note 36)	39,098	26,642
	Other operating income		
	- Sale of scrap	68	81
	- Insurance claims received	3	6
	- Miscellaneous income	8	2
	Total revenue from operations	39,177	26,731
19	Other income		
	Interest Income on financial assets at amortized cost	98	73
	Profit on sale of plant & equipment	-	1
	Total other income	98	74
20	Cost of materials consumed		
	Opening stock	179	150
	Add: Purchases	5,197	3,338
	Less: Closing stock	208	179
	Total cost of materials consumed	5,168	3,309
	Details of materials consumed:		
	Limestone	2,740	1,718
	Laterite	420	183
	Gypsum	834	697
	Fly ash	962	602
	Others	224	168
	Less: Captive consumption of cement	(12)	(59)
	Total	5,168	3,309
21	Changes in inventories of finished goods and work-in-progress		
	<u>Inventories at the beginning of the year:</u>		
	Finished goods	569	318
	Work-in-progress	1,178	917
		1,747	1,235
	<u>Inventories at the end of the year:</u>		
	Finished goods	367	569
	Work-in-progress	1,793	1,178
		2,160	1,747
	Net increase	(413)	(512)

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Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
22	Employee benefits expense		
	Salaries and wages, including bonus	1,300	1,067
	Contribution to provident and other funds (Refer note 30)	99	90
	Staff welfare expenses	110	94
	Total employee benefits expense	1,509	1,251
23	Finance cost		
	Interest expense	3,868	3,784
	Interest on deposit from dealers	19	15
	Interest on lease liability (Refer note 33)	9	10
	Other borrowing cost	952	656
	Total finance cost	4,848	4,465
24	Depreciation and amortisation expense		
	Depreciation of property, plant and equipment (Refer note 2)	3,808	3,832
	Depreciation on right of use assets (Refer note 4 and 33)	17	16
	Amortisation of intangible assets (Refer note 3)	1	2
	Total depreciation and amortisation	3,826	3,850
25	Other expenses		
	Packing materials consumed	903	763
	Stores and spares consumed	644	575
	Repairs and maintenance		
	Plant & equipment	475	423
	Buildings	2	2
	Others	126	136
	Selling expenses	959	662
	Rent	16	12
	Insurance	63	62
	Rates and taxes	137	25
	Payment to auditors (Refer note(i) below)	16	16
	Travelling and conveyance	158	117
	Security services	163	144
	Donations and contributions	2	4
	Legal and other professional charges	138	103
	Administrative expenses	22	24
	Printing and stationery	8	7
	Communication	16	12
	Directors sitting fees	5	1
	Miscellaneous expenses	16	35
		3,869	3,123
	Notes:		
	(i) Payment to Auditors (net of taxes) comprises:		
	For audit	15	15
	For other services	1	1
	Total	16	16

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Note No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
26	Income tax expense		
	(a) Income tax recognized in the statement of profit and loss		
	Current tax:		
	In respect of the current year	-	-
	Total current tax	-	-
	Deferred tax		
	In respect of current year origination and reversal of temporary differences	(463)	(1,870)
	Total deferred tax	(463)	(1,870)
	Total tax expense	(463)	(1,870)

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss before tax (A)	(1,931)	(7,680)
Enacted tax rates in India (B)	25.17%	25.17%
Expected tax expense (C = A*B)	(486)	(1,933)
Permanent difference		
Effect on Income disallowed under Income Tax Act, 1961	-	-
Effect on expenses disallowed under Income Tax Act, 1961	22	23
Others	1	40
Total	23	63
At the effective income tax rate	(463)	(1,870)
Total tax expense	(463)	(1,870)

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

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	(Recognized) / Reversed through other comprehensive income	Other Adjustments	Closing balance
Property, plant and equipment and intangible assets	(1,438)	(935)	-	-	(2,373)
Provision for employee benefits	13	4	(3)	-	14
Expected credit loss allowance	3	-	-	-	3
Others	3	(3)	-	-	-
Carry forward of unabsorbed depreciation and business losses	4,284	1,397	-	-	5,681
Total Deferred tax liability (Net)	2,865	463	(3)	-	3,325

Movement in deferred tax assets and liabilities for the year 2022-23:

Particulars	Opening balance	(Recognized) / reversed through the statement of profit and loss	(Recognized) / Reversed through other comprehensive income	Other Adjustments	Closing balance
Property, plant and equipment and intangible assets	(1,243)	(195)	-	-	(1,438)
Provision for employee benefits	(1)	14	-	-	13
Expected credit loss allowance	3	-	-	-	3
Others	5	(1)	-	(1)	3
Carry forward of unabsorbed depreciation and business losses	2,232	2,052	-	-	4,284
Total Deferred tax liability (Net)	996	1,870	-	(1)	2,865

(d) Income tax assets and liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (Net of provision of ₹ Nil (2022-23: ₹ Nil))	-	-
Income tax liabilities (Net of advance tax of ₹ Nil (2022-23: ₹ Nil))	-	-
Net Income tax assets	-	-

27. Contingent liabilities, capital and other commitments**a) Contingent Liabilities:**

The Company has no contingent liabilities as at March 31, 2024 and as at March 31, 2023.

b) Capital and other commitments:

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	18	35

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	3,367	265
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	10	-
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.	-	-

29. Financial Instruments:

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

A. Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings as detailed in Note 13 & 14 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, 2024	As at March 31, 2023
Debt (Refer Note below)	39,611	42,642
Cash and cash equivalents and Other bank balances	779	658
Net debt	38,832	41,984
Total equity	8,636	10,096
Net debt to equity ratio	4.50	4.16

Note: Debt comprises of loans, current and non-current borrowings as disclosed in Note 13 and Note 14.

B. Categories of financial instruments:

The carrying value of financial instruments by categories as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
Measured at amortised cost		
(i) Trade receivables	818	454
(ii) Cash and cash equivalents	64	15
(iii) Other bank balances	715	643
(iv) Other financial assets	1,416	1,226
Total Financial assets	3,013	2,338

Particulars	As at March 31, 2024	As at March 31, 2023
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	34,590	37,621
(ii) Trade payables	8,126	7,695
(iii) Lease liabilities	96	107
(iv) Other financial liabilities	7,396	6,983
Total Financial liabilities	50,208	52,406

C. Financial risk management objectives:

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

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

i) Market risk:

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

Interest rate risk management:

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

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2024 would increase/ decrease by ₹ 198 (for the year ended March 31, 2023: increase/ decrease by ₹ 213). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

ii) Credit risk management:

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company does not have significant credit risk exposure to any single counterparty, except for four customers against whom the concentration of credit risk did not exceed 12% of gross monetary assets. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets.

D. Liquidity risk management:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2024 and March 31, 2023. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

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

Financing facilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Secured bills acceptance facility, reviewed annually		
- amount used	3,241	4,039
- amount unused	759	1,961
Total	4,000	6,000
Secured bank overdraft facility reviewed annually and payable at call		
- amount used	2,622	2,433
- amount unused	878	2,567
Total	3,500	5,000
Secured bank loan facilities with varied maturity dates and which may be extended by mutual agreement		
- amount used	31,968	35,188
- amount unused	-	-
Total	31,968	35,188
Unsecured loan from Holding Company		
- amount used	4,930	4,930
- amount unused	-	-
Total	4,930	4,930

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	8,126	-	-
Lease liabilities	11	8	77
Other financial liabilities	1,874	217	5,305
Borrowings (including current maturities of non-current borrowings)	6,510	4,164	23,916

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows:

Particulars	< 1 Year	1 – 2 years	> 2 years
Trade Payables	7,695	-	-
Lease liabilities	23	8	76
Other financial liabilities	1,492	245	5,246
Borrowings (including current maturities of non-current borrowings)	5,669	3,888	28,064

E. The Company does not have any derivative instruments or unhedged foreign currency exposures as on the balance sheet date.

30. 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 recognized during the year aggregated ₹ 77 (2022-23: ₹ 65).

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 recognized during the year aggregated ₹ 1 (2022-23: ₹ 1).

(ii) Defined benefit plan:**Gratuity:**

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

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as per actuarial valuation as at March 31, 2024 and March 31, 2023:

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mortality table (LIC)	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)
Discounting rate	7.22%	7.51%
Expected rate of return on plan asset	7.67%	7.01%
Expected average remaining working lives of employees	21.91 years	22.34 years
Rate of escalation in salary	8.48%	9.00%
Attrition rate	28.33%	9.00%

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount recognized in statement of profit and loss in respect of defined benefit plan is as follows:		
Current service cost	15	18
Interest expense	3	1
Expected return on plan assets	(2)	(1)
Other adjustments	1	-
Defined benefit cost included in profit and loss	17	18
Re-measurement effects recognized in Other Comprehensive Income (OCI):		
Remeasurements – Due to financial, demographic and experience adjustments	(11)	(1)
Return on plan assets (excluding in interest income)	-	-
Components of defined benefit costs recognized in OCI	(11)	(1)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded defined benefit obligations	38	31
Fair value of plan assets	(29)	(18)
Net liability arising from defined benefit obligation	9	13

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation at the beginning of the year	31	14
Current service cost	15	18
Interest cost	3	1
Remeasurements – Due to financial, demographic and experience adjustments	(11)	(2)
Benefits paid out of plan assets and by employer	-	-
Defined benefit obligation at the year end	38	31

e) Maturity profile of defined benefit obligation:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within 1 year	2	-
1 – 2 years	5	1
2 – 3 years	9	2
3 – 4 years	7	5
4 – 5 years	7	3
5 – 10 years	16	16

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of the plan assets	18	13
Expected return on plan assets	2	1
Contributions from the employer	9	5
Benefits paid out of plan assets	-	-
Re-measurement – Actuarial loss/ (gain)	-	(1)
Other adjustments	-	-
Fair value of plan asset at the year end	29	18

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, 2024		For the year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in assumed discount rate	36	39	28	34
Effect of 1% change in assumed salary rate	40	36	34	28
Effect of 1% change in assumed attrition rate	37	38	30	32

The Company is expected to contribute ₹ 9 lakhs to its defined benefit plans during the next financial year.

Compensated absences:

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

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate	7.22%	7.51%
Salary escalation rate	8.48%	9.00%
Attrition rate	28.33%	9.00%
Mortality tables	IALM 2012-14 (ultimate)	IALM 2012-14 (ultimate)

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

31. 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 segment applicable to the Company.

32. Related Party Disclosures:

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

Name	Relationship
Sagar Cements Limited	Holding Company
Key managerial personnel (KMP):	
Dr. S. Anand Reddy	Director
S. Sreekanth Reddy	Director
Rajesh Bansal	Director
Badrilal Bansal	Director
O Rekha	Director
Hari Mohan Nalamati	Director
Ganesh Katta	Director
Relatives of KMP:	
Mohanlal Bansal	Father of Rajesh Bansal and Badrilal Bansal
Chandrakala Bansal	Mother of Rajesh Bansal and Badrilal Bansal
Varsha Bansal	Wife of Rajesh Bansal
Mamta Bansal	Wife of Badrilal Bansal
Mohanlal Bansal - HUF	HUF of Mohanlal Bansal
Rajesh Bansal - HUF	HUF of Rajesh Bansal
Badrilal Bansal - HUF	HUF of Badrilal Bansal
Andhra Cements Limited	Enterprise where KMP along with their relatives exercise significant influence
RV Consulting Services Private Limited	Enterprise where KMP along with their relatives exercise significant influence
Panchavati Polyfibres Limited	Enterprise where KMP along with their relatives exercise significant influence
Pioneer Industries	Enterprise where KMP along with their relatives exercise significant influence
Samrath Investrade LLP	Enterprise where KMP along with their relatives exercise significant influence
B M Enterprises	Enterprise where KMP along with their relatives exercise significant influence

Summary of the transactions with the above parties are as follows:

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of clinker	Pioneer Industries	1,834	1,370
Purchase of raw material	Pioneer Industries	1	5
Purchase of Spares	Pioneer Industries	-	8
	Andhra Cements Limited	7	-
	Total	7	8
Sale of scrap	Sagar Cements Limited	24	-
	Andhra Cements Limited	2	-
	RV Consulting Services Private Limited	19	-
	Total	45	-
Interest expense on corporate guarantee	Sagar Cements Limited	70	77
Sale of property, plant and equipment	RV Consulting Services Private Limited	-	40
Services received	Sagar Cements Limited	224	159
Interest expense on unsecured loan	Sagar Cements Limited	494	394
Reimbursement of expenses paid	Sagar Cements Limited	64	64

Compensation to key managerial personnel is as follows:

Nature of transaction	Party Name	For the year ended March 31, 2024	For the year ended March 31, 2023
Sitting fee	Directors	5	1

Outstanding balances:

Nature of the balance	Party Name	As at March 31, 2024	As at March 31, 2023
Loans taken	Badrilal Bansal	29	29
	Rajesh Bansal	62	62
	Sagar Cements Limited	4,930	4,930
	Total	5,021	5,021
Trade payables	Sagar Cements Limited	156	1,200
Trade receivables	Pioneer Industries	194	45
	RV Consulting Services Private Limited	22	-
	Total	216	45
Interest accrued but not due on loan taken	Sagar Cements Limited	1,296	852
Corporate guarantee taken	Sagar Cements Limited	37,000	37,000

33. Operating Lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments

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

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

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized 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, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	312	328
Additions	3	-
Depreciation	(17)	(16)
Closing Balance	298	312

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

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Balance	107	119
Additions	3	-
Finance cost accrued during the year	9	10
Payment of lease liabilities	(23)	(22)
Closing Balance	96	107

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Non-current lease liabilities	85	84
Current lease liabilities	11	23
Total	96	107

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on discounted basis

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Within one year	11	23
After one year but not more than five years	28	21
More than 5 years	57	63

Amount recognised in statement of profit and loss account as at March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amortization of right of use assets	17	16
Interest on lease liability	9	10
Expense relating to short term lease	16	12

34. Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss after tax (₹ in lakhs)	(1,468)	(5,810)
Weighted average number of equity shares outstanding	50,36,573	50,36,573
Earnings per share:		
Basic and Diluted (in ₹)	(29.15)	(115.28)

35. The Holding Company extended the corporate guarantee for the further loans availed by the Company and on account of the same, the loans were given at concessional rate to the Company. The fair value of the corporate guarantee aggregating to ₹ 470 (March 31, 2023: ₹ 470) has been accounted as deemed investment in equity.

36. Reconciliation of revenue as per contract price and recognised in Statement of Profit and Loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per Contract price	41,759	28,147
Less: Discounts and incentives	(2,661)	(1,505)
Revenue as per statement of profit and loss	39,098	26,642

- 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.

Disaggregation of Revenue:

Revenue by timing of recognition:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Goods transferred at a point of time	39,098	26,642
Goods transferred over time	-	-

37. Capital Work-in-Progress:

(a) Capital Work-in-Progress ageing:

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	15	2	-	-	17

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Particulars	Amount of Capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	71	-	-	-	71

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

(b) Capitalisation of expenditure:

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure during construction for projects		
Raw materials consumed	-	-
Power and fuel consumed	-	-
Employee benefits expense	-	-
Rates and taxes	-	-
Depreciation	-	-
Finance costs	-	-
Miscellaneous expenses	-	-
Total Pre-operative expenses	-	-
Less: Sale of products / Other income	-	-
Add: Balance at the beginning of the year	-	565
Less: Capitalised during the year	-	(565)
Closing balance included in CWIP	-	-

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

38. Relationship with struck off companies:

Name of Struck off Company	Relationship with the Struck off Company	Nature of transactions	Transactions during the year ended March 31, 2024	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023
Sudarshan construction	Customer	Sale of cement	-	1.8	-	-
Shagun Ashiyana Private Limited			-	1.8	-	-

39. Key financial ratios:

Ratio	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	% of Variance	Refer Note
Current Ratio	Current Assets	Current Liabilities excl. Current Borrowings	0.59	0.79	(25%)	-
Debt-Equity Ratio	Debt ⁽¹⁾	Net Worth ⁽²⁾	4.59	4.22	9%	-
Debt Service Coverage Ratio	Earnings before depreciation, interest and tax	Interest expense + Principal repayment ⁽³⁾	0.84	0.11	664%	1
Return on Equity Ratio (ROE)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.16)	(0.45)	(64%)	1
Inventory turnover ratio (times)	Sales of Products and Services	Average Inventory ⁽⁴⁾	9.16	7.85	17%	-
Trade Receivables turnover ratio (times)	Sales of Products and Services	Average Trade Receivable ⁽⁵⁾	60.34	66.36	(9%)	-
Trade payables turnover ratio (times)	Purchase	Average Trade Payables ⁽⁶⁾	3.74	4.86	(23%)	-
Net capital turnover ratio	Sales of Products and Services	current assets - current liabilities	(3.51)	(3.42)	3%	-
Net profit ratio	Profit after tax	Sales of Products and Services	(3.75%)	(21.81%)	(83%)	1
Return on Capital employed	Earnings before interest and taxes	Capital Employed ⁽⁷⁾	0.06	(0.06)	(200%)	1
Return on Investments	Income generated from investments	Total investments	NA	NA	-	-

⁽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:

1. Company operations were gradually ramping up and due to decrease in power and fuel expenses, there is an increase in the operating margins, this resulted into significant variation in the above reported ratio.

40. As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company is required to use only such accounting software for maintaining its books of accounts that have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software.

In respect of the accounting software used by the Company, audit trail was not enabled at certain master tables at application level and database level to log any direct data changes. In respect of such application and database, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective. The Company is in the process of system upgradation to meet the audit trail requirements for the relevant masters at application level and database.

41. 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.

Sagar Cements (M) Private Limited (Formerly known as Satguru Cement Private Limited)

CIN: U26942MP2001PTC014599

Notes to the financial statements

All amounts are in ₹ lakhs unless otherwise stated

42. 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 ROC 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 to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (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 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.

43. These financial statements were approved by the Company's Board of Directors on May 14, 2024.

For and on behalf of the Board of Directors of
Sagar Cements (M) Private Limited
(Formerly known as Satguru Cement Private Limited)

Dr. S. Anand Reddy
Director
DIN: 00123870

Badrilal Bansal
Director
DIN: 01034048

S. Sreekanth Reddy
Director
DIN: 00123889

Rajesh Bansal
Director
DIN: 01033997

Place: Hyderabad
Date: May 14, 2024